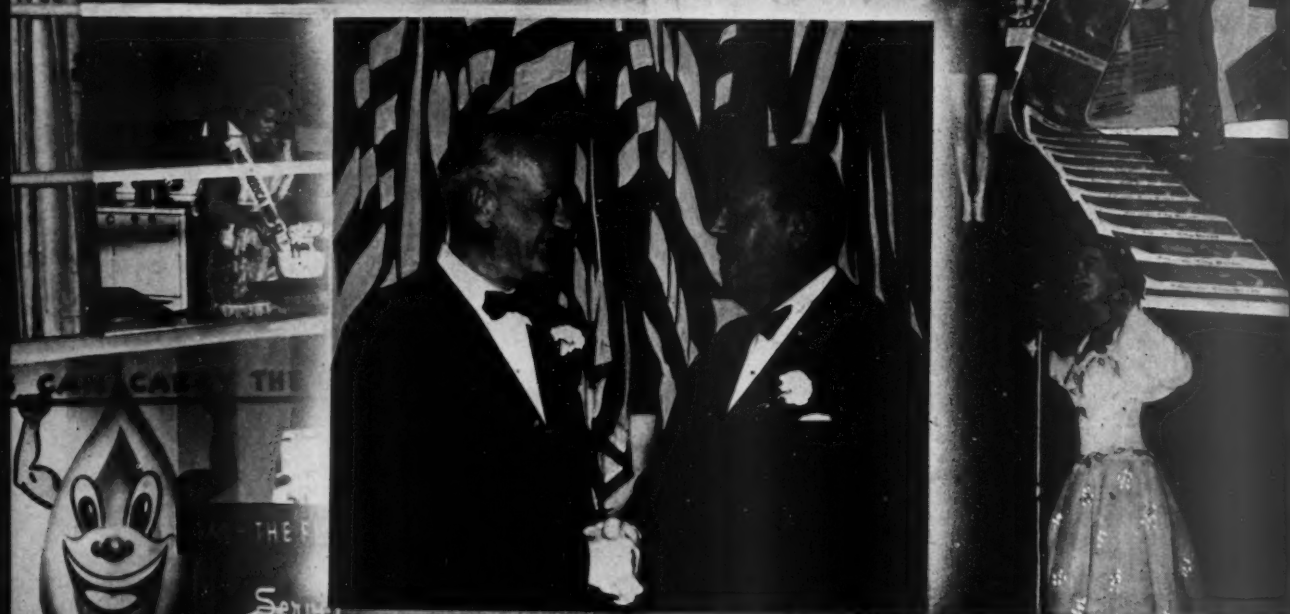


AMERICAN GAS ASSOCIATION

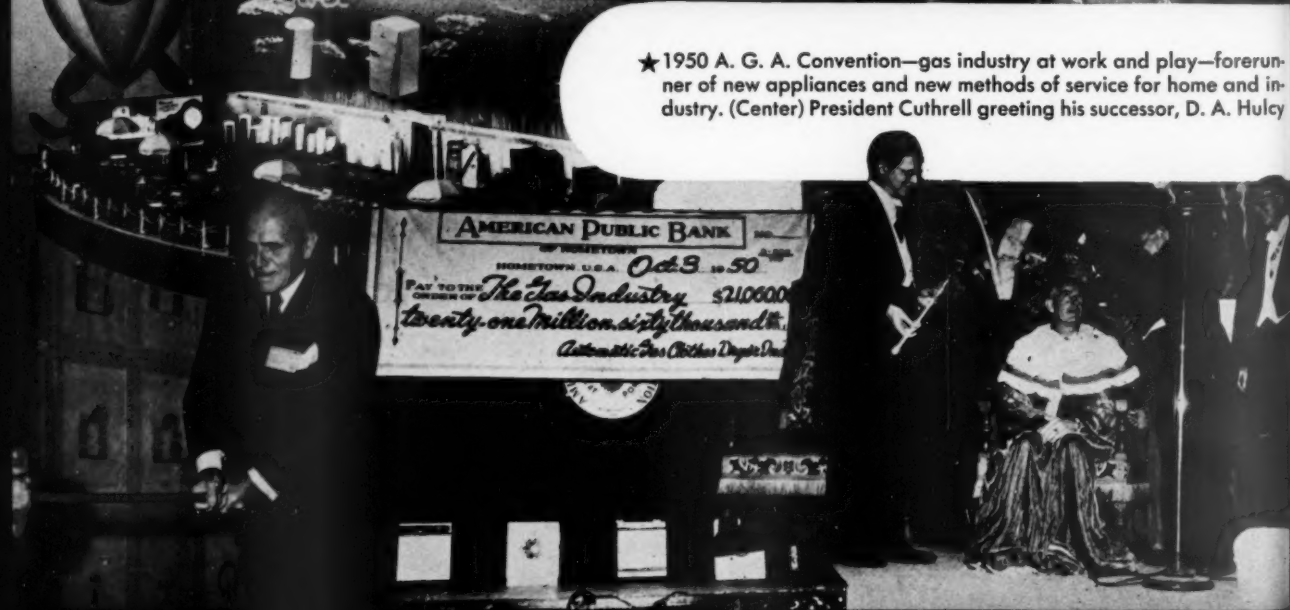
Monthly

NOVEMBER
1950





★1950 A. G. A. Convention—gas industry at work and play—forerunner of new appliances and new methods of service for home and industry. (Center) President Cuthrell greeting his successor, D. A. Hulcy





This month's cover: Man with a mission—D. A. Hulcy, civic leader and president-elect, American Gas Association. Portrait by Constance Joan Naar, New York, N. Y.

LAST month's gas industry convention in Atlantic City was not only the most spectacular but undoubtedly one of the most important ever held. The long parade of speakers, the giant exhibition of gas appliances, all pointed sharply to a road that must be followed in the new twilight era between peace and war. . . . High courage and statesmanship will be required to follow the route indicated. There will always be the danger of squandering offensive power on side issues. . . . First signs on this road point to the need for stronger salesmanship—salesmanship of ideas as well as gas and gas appliances. Major efforts are needed on the local level to prove to the public that gas is the ideal fuel for modern living. In the words of one convention speaker, "any slackening in promotion and advertising could prove disastrous." . . . Steady expansion of the natural gas business has proved a major unifying force in the gas industry. However, still closer cooperation must be developed between gas utilities and appliance manufacturers. . . . President Cuthrell placed his finger squarely on the central issue: We're doing only part of the job at present; but if we face our problems squarely and honestly, the gas industry's most rewarding and stimulating years are still ahead.

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VOL. 32

NO. 11

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OVERFLOW AUDIENCE listening to address of Harold E. Stassen at American Gas Association's Thirty-Second Annual Convention



Convention leaders exhort gas

The gas industry's future hinges on a single word—salesmanship. A chorus of voices and scores of eye-filling exhibits hammered home this message in a hundred different ways last month. It was the predominant theme of the Thirty-Second Annual Convention of American Gas Association. It was the story told with dramatic showmanship at the record exhibition of Gas Appliance Manufacturers Association.

Throughout the Atlantic City convention, October 2-5, speakers called for accelerated sales efforts. The need to sell new ideas and fresh thinking vied with the need to sell gas appliances and gas service. Approximately 8,000 delegates received a first-hand account of the industry's sales blueprint and a wealth of operating information.

Speaking on "Gas—The Flame of Progress," Hugh H. Cuthrell, president of A. G. A., and vice-president, The Brooklyn Union Gas Co., put his finger squarely on the convention theme. "We are on the right road in our national promotions but we need more weight behind them," he said.

"National promotions provide the impact and the excitement that is needed to keep people gas-minded. If we break the chain of national promotions—or advertising—or research, we will find it difficult to pick up the slack." Pointing to the industry's spectacular expansion program, Mr. Cuthrell said: "Psychologically, we will never have a better

time for talking about the modernity of gas. We must exploit our situation with more cold cash for spreading the word, more money invested in capable sales manpower, more risk capital spent in expanding our service areas." As a vital first ingredient in the industry's success, Mr. Cuthrell urged increased support of PAR Plan activities. (Mr. Cuthrell's remarks are reprinted beginning on page 15.)

Saluting the Gas Appliance Manufacturers Association and its members on a "magnificent display," Mr. Cuthrell said the gas industry has plenty that is modern and romantic to talk about. Adding weight to the president's statement, approximately 1,200 new and improved products ranging from gas clothes dryers and automatic ranges to industrial boilers and single unit heating-cooling devices, were displayed in the huge auditorium. Exhibits by 175 manufacturers covered 70,000 square feet of floor space. It was the largest exposition ever conducted by the gas industry. Every form of showmanship was used to attract dealers and utility men, and to show that there is no lack of glamorous modern gas appliances to sell. A formal resolution adopted at the end of the convention commended GAMA and its members on the exhibition.

Three other general sessions speakers, including Stanley H. Hobson, president, GAMA, placed the gas industry's future



GALAXY OF APPLIANCES
at giant Gas Appliance
Manufacturers Association
exhibit included 1,200
new or improved products

gas industry to expand sales efforts

in the laps of sales-minded people. Mr. Hobson, who is president of Geo. D. Roper Corp., Rockford, Ill., made a strong plea for more industrywide sales promotion. His title was "Spike Driving With a Tack Hammer."

Noting that manufacturers are spending about three million dollars advertising their products in national media this year, Mr. Hobson declared that progress to date is not sufficient. "Let us not say that the problem of accelerating all divisions of GAMA and utility merchandising effort is insurmountable because there are enough facts and figures to disprove any negative thinking on that score."

"Of great and major importance this year," GAMA's president continued, "was the resolution passed by the 'CP' group to the effect that the targets for the gas range industry should be set from four to five million gas ranges a year. This is a real challenge to the electric industry and shows beyond a shadow of doubt that the gas cooking load will be retained and expanded."

In Mr. Hobson's opinion, gas range manufacturers cannot solve the problems of manufacturing, distribution and selling alone. They must have the help of the entire gas industry.

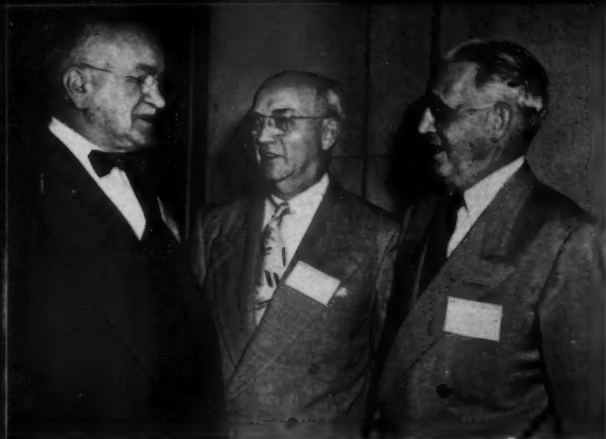
"Gas company inspiration spearheading sales activities, home service programs, and other service programs must be and will have to be bigger 'musts' in the future than they have

ever been in the past. . . . Failure to swing into action will be tangible proof of gas utilities' failure to meet the challenge of the electric range," he declared.

Joining the united front for aggressive sales effort was W. Paul Jones, president, Servel, Inc., Evansville, Ind., who cited a vastly increased sales potential for the industry. The gas man and his utility "are back in the public eye and public consciousness to a degree that is unique in comparison or contrast with the last forty years."

"But," Mr. Jones warned, "the industry's true destiny cannot be achieved without full use of all modern proved sales techniques. While natural gas causes great interest," he said, "it is not enough merely to bring it to the consumer and publicize its coming. Neither should the industry believe that competition will supinely agree that natural gas is best. Our huge new opportunity," he said, "will be realized only if every element of the industry launches a well-balanced sales program on every gas appliance."

"From a price and value standpoint the gas industry need not take a back seat for anyone," Mr. Jones continued. "Despite this fact," he declared, "gas appliance manufacturers must make their products more glamorous and appealing." He reminded his audience that people are choosing electrical appliances not because they are electric but because of the



Visitors from Michigan Consolidated Gas Company: (l. to r.) Henry Fink, president; N. E. Loomis, vice-president, and W. J. Hampton, air conditioning engineer



Harold E. Stassen (right) being greeted by A. G. A. President Cuthrell before former's address on freedom.



A. F. Bridge (left), chairman, Laboratories Managing Committee; N. Henry Gellert, president, Seattle Gas Co.; F. M. Banks, president, Southern California Gas

well-publicized features of such equipment.

"Women know little or care less about the basic operation of appliances but are interested in how the gadgets work; what they can do with them. That's why it's usually easier to sell a deluxe model of any appliance than to sell a so-called strip model."

Completing the "four horsemen" of sales promotion, W. L. Hayes, general sales manager, Montana-Dakota Utilities Co., Minneapolis, told the third general session that the gas industry should take a leaf from the Fuller brush man, the vacuum cleaner salesman and other aggressive merchandising organizations. "The best selling jobs done in our country today are being done by house-to-house canvassing salesmen," he stated.

"The selling job 15 years ago was done with salesmen," Mr. Hayes declared, "and it can be done with salesmen again. It cannot be done without them. Prior to World War II, most gas companies had aggressive sales organizations but with the shortage of appliances during the war and since, most gas companies disbanded their sales departments. It was during that period that electric competition made the biggest inroads into the gas industry.

"Fifty-eight percent of all electric ranges in use today," Mr. Hayes noted, "and 75 percent of all electric water heaters were sold during the last three years when gas companies were sitting idly by expecting the selling job to be done by someone else.

"There are many in the gas industry who feel that the selling job should be done by gas appliance dealers. I am heartily in favor of gas appliance dealers as an adjunct to the industry sales effort but the gas appliance dealer cannot and is not doing the selling job alone. There is good evidence to prove that dealers sell more appliances when the gas companies aggressively merchandise."

While paramount emphasis of the convention concerned the need for more intensive sales effort, there were many other highlights. Separate meetings on accounting, industrial and commercial gas, home service, operating, residential gas, personnel relations and insurance, provided a wealth of information on timely problems. Particularly significant was the first joint meeting of the Natural Gas and Manufactured Gas Departments. This heralded the advance of natural gas and the unified approach to industry problems which exists today.

Rounding out the program were dealer day events, colorful entertainment functions, and many sidelights. Credit for marshalling the impressive array of speakers and programs goes to the able Convention Committee, headed by George E. Whitwell, Philadelphia, and the various sectional program committees.

A feature of this year's convention was commemoration of the twenty-fifth anniversary of A. G. A. Laboratories. Many speakers paid tribute to the Laboratories' contributions and success as a unique example of industry self-regulation in the public interest. A special A. G. A. booth in the auditorium told the story of the Laboratories' work over the years. One attraction was a mechanical demonstration illustrating work undertaken on burner adjustments for domestic gas appliances. The Resolutions Committee, R. W. Hendee, Colorado Springs, Colo., chairman, in a resolution which passed unanimously, placed the industry's stamp of approval on the Laboratories' work.

The opening general session on Monday afternoon, was

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N. B. Bertolette (l.), president, The Hartford Gas Co., chatting with R. W. Hendee, president, Colorado Interstate Gas Company



"Truth in Action" was subject of Arch N. Booth (above), executive vice-president, U. S. Chamber of Commerce



Delegates from Republic Light Heat & Power Co. in Buffalo: (l. to r.) Howard Moore, Donald Spencer, George L. Scofield



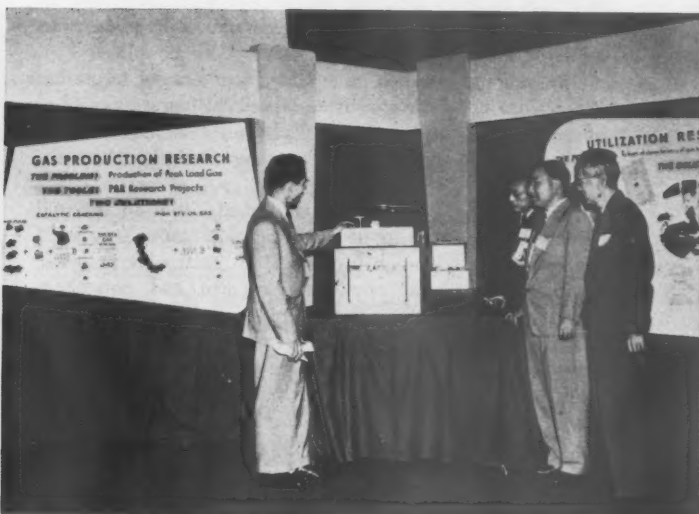
General session headliners: Stanley H. Hobson (left), president, GAMA; W. L. Hayes, Montana-Dakota Utilities Co.; H. G. Smith and Emil Biard, presidents, Canadian and French Gas Associations



Gas industry officers starting exhibit tour: (l. to r.) H. Leigh Whitelaw, GAMA; H. Carl Wolf, A. G. A.; Frederic O. Hess, GAMA; Hugh H. Cuthrell, D. A. Hulcy, George F. Mitchell, A. G. A.; A. B. Ritzenthaler, GAMA



C. E. Bennett (left), vice-president-elect, American Gas Association; C. H. Waring, The Gas Service Co.; Thomas Weir, Union Gas Co. of Canada, and P. W. Geldard, The Consumers' Gas Co. of Toronto



Delegates from Japanese gas industry: Katsumi Nakazawa, Euchiro Ishikawa and S. Hasegawa examining A. G. A. gas production research exhibit with William M. Walker (left), attached to American headquarters in Tokyo



Mrs. America interrupts her tour of modern gas appliances at Atlantic City to inspect special mechanical exhibit depicting growth of American Gas Association Laboratories



Personnel relations session: (Left to right) L. A. Brandt, chairman, Personnel Committee; Dr. Robert K. Burns, University of Chicago; John J. Wittmer, vice-president, and Dwight S. Sargent, both Consolidated Edison Co. of New York, Inc.

the high spot of the entire convention. Speaking before an audience that jammed the huge ballroom and balcony of the municipal auditorium, Harold E. Stassen, president, University of Pennsylvania, and internationally-known figure, made a ringing declaration of faith in the American system of free enterprise.

Mr. Stassen defined his credo on "Utilities and Freedom" as follows: "I believe that economic freedom is inseparable from the other freedoms of a social or civil or religious or political nature. I consider further that efficient successful utilities under the management and ownership of citizens and not of government are an important bulwark for the freedom of the people of this nation."

Discussing future freedom in all aspects, Mr. Stassen asserted that "if the Soviet Union were to start World War III tomorrow, the United States would win that war even though we might suffer initial reverses."

The most likely outlook, however, he predicted, is not all-out war but rather "a period of years in which there will be a clash between opposing ways of life, a period of intensified armament, and ideological and economic struggle between opposing groups."

The national bugaboo of inflation was a major target for Mr. Stassen. "Inflation itself is a political coward's method of refusing to meet financial problems. But inflation is a disease that brings in its wake a pernicious anemia in any economic system."

"That is why," Mr. Stassen continued, "it is so essential that there be an uprising of public opinion from all walks of life, including vigorous protests from salaried employees, white-collar workers, pensioners, firemen and policemen. These groups are feeling the real pinch of inflation and they should insist that for the sound security of their country this aspect of the home mobilization be cared for and cared for courageously." He recommended that "at least \$5 billion be taken out of the Federal non-defense budget." (Excerpts from Mr. Stassen's address appear on page 11.)

Suggested remedies for the "present and future social security load endangering our economy" were presented by James K. Polk of the New York legal firm, Whitman, Ransom, Coulson and Goetz.

Painting the seriousness of the present situation, Mr. Polk



(Left to right) Delegates Hall M. Henry, vice-president, NEGEA Service Corp.; J. A. King and Fred W. Miller, Carborundum Co.; Gordon G. Howie, vice-president, Cambridge Gas Light Company



South well-represented: James H. Motz (left), G. F. Edwards, Atlanta Gas Light Co.; J. W. Owen, Central Florida Gas Corporation



Insurance round up: R. Constable (left), Niagara Mohawk Power Corp.; Walter C. Dietzel, National Fire Insurance Co.; John W. Marrin, chairman; Robert W. Shipman, Alexander & Alexander, Inc.; E. M. Taber, The Peoples Gas Light & Coke Co.



E. W. Doebler (left), vice-president, Long Island Lighting Co.; E. R. Acker, president, Central Hudson Gas & Electric Corp.; E. F. Barrett, A. G. A. treasurer



Hugh H. Cuthrell (left), A. G. A. president; Wallace G. Strathern, Eastern Gas & Fuel Associates; Major Alexander Forward, former managing director, Robert W. Hendee, former president, A. G. A.



C. R. McQuade (left), Esther Brown, Mary E. Agee, and Irene Marten staffing gas utility library exhibit in Atlantic City

noted that existing social security programs cost more than 8½ percent of total wage and salary payments. These programs may be expected to increase in the foreseeable future to approximately 30 percent, he said.

"Now, if you conclude as I do, that this present and future load is endangering our economy," Mr. Polk remarked, "what can be done about it? When the fruits of a tree are so heavy that they tend to strip the limbs and destroy the tree, the prudent action is to eliminate some of the fruit, or reduce in size, or both.

"Before these remedies can be applied, I think that the congeries of securities should be grouped into classifications which draw their justification or financial support from the same sources. In the light of their proper classification, controls, economies and perhaps selective eliminations can be achieved.

"Job securities should be related to job revenues and matters affecting the labor market. Public health, maternal and child welfare, school lunches, and like securities, are a charge on the over-all economy and do not relate to salary and wage earners alone.

"I would regard minimal retirement or old-age coverage as non-job related, but a charge on the economy as a whole and unsupportable if restricted to any segment of our people. In the evaluation, therefore, the necessity and costs of the job security should be weighed in the light of the wage aggregate and the labor market, while the necessity and the cost of the non-job securities should be evaluated and related to the economy of the entire nation.

"With this segregation in mind," Mr. Polk declared, "savings up to at least one-third of the cost of the securities can be had in the job-related areas if ordinarily prudent business practices are followed in administration and if reliefs or securities are restricted to the natural and obvious objectives." (Mr. Polk's address is reprinted beginning on page 17.)

Earlier in the first general session, Edward F. Barrett, A. G. A. treasurer, and president, Long Island Lighting Co., reported that the Association's finances were in sound and satisfactory condition.

Features of this session were greetings from foreign gas associations and the election of heads of eight of these or-

New A.G.A. officers

PRESIDENT

D. A. Huley, president, Lone Star Gas Co., Dallas, Texas

FIRST VICE-PRESIDENT

George F. Mitchell, president, The Peoples Gas Light and Coke Co., Chicago, Illinois

SECOND VICE-PRESIDENT

C. E. Bennett, president, The Manufacturers Light and Heat Co., Pittsburgh, Pennsylvania

TREASURER

Edward F. Barrett, president, Long Island Lighting Co., Mineola, New York

DIRECTORS

B. C. Adams, president, The Gas Service Co., Kansas City, Missouri

A. M. Beebe,* president, Rochester Gas and Electric Corp., Rochester, New York

N. B. Bertolotta,* president, The Hartford Gas Co., Hartford, Connecticut

L. B. Bonnett,* vice-president, Consolidated Edison Co. of New York, Inc., New York, New York

Everett J. Boothby, president, Washington Gas Light Co., Washington, D. C.

A. W. Conover, president, Equitable Gas Co., Pittsburgh, Pennsylvania

Hugh H. Cuthrell, vice-president, The Brooklyn Union Gas Co., Brooklyn, New York

Henry Fink,* president, Michigan Consolidated Gas Co., Detroit, Michigan

John L. Haley,* vice-president, Niagara Mohawk Power Corp., Syracuse, New York

Lyle C. Harvey, president and general manager, Affiliated Gas Equipment, Inc., Cleveland, Ohio

Frederic O. Hess, president, Selas Corp. of America, Philadelphia, Pennsylvania

Robert A. Hornby, executive vice-president, Pacific Lighting Corp., San Francisco, California

Robert W. Otto,* president, Laclede Gas Co., St. Louis, Missouri

Frank C. Smith,* president, Houston Natural Gas Corp., Houston, Texas

R. G. Taber, president, Atlanta Gas Light Co., Atlanta, Georgia

Allyn C. Taylor,* president, Consumers Gas Co., Reading, Pennsylvania

Charles G. Young,* vice-president, Springfield Gas Light Co., Springfield, Massachusetts

(* indicates directors reelected)

ACCOUNTING SECTION

Chairman—Alan A. Cullman, Columbia Engineering Corp., New York, New York

Vice-Chairman—Ralph F. McGlone, The East Ohio Gas Co., Cleveland, Ohio

INDUSTRIAL AND COMMERCIAL GAS SECTION

Chairman—Carl H. Lekberg, Northern Indiana Public Service Co., Hammond, Indiana

Vice-Chairman—Ronald A. Malony, executive vice-president, The Bridgeport Gas Light Co., Bridgeport, Connecticut

LABORATORIES MANAGING COMMITTEE

Chairman—Arthur F. Bridge, president and general manager, Southern Counties Gas Co., Los Angeles, California

Vice-Chairman—C. E. Bennett, president, The Manufacturers Light & Heat Co., Pittsburgh, Pennsylvania

MANUFACTURERS' SECTION

Chairman—W. Reed Morris, Koppers Co., Inc., New York, New York

OPERATING SECTION

Chairman—Rutherford Van Vliet, New York & Richmond Gas Co., Stapleton, Staten Island, New York

Vice-Chairman—H. Bruce Andersen, vice-president, The Philadelphia Gas Works Co., Philadelphia, Pennsylvania

PUBLICITY AND ADVERTISING COMMITTEE

Chairman—Charles J. Allen, vice-president, The Connecticut Light & Power Co., Waterbury, Connecticut

Vice-Chairman—Howard A. Praeger, The Brooklyn Union Gas Co., Brooklyn, New York

RESIDENTIAL GAS SECTION

Chairman—Carl H. Horne, vice-president, Alabama Gas Corp., Birmingham, Alabama

Vice-Chairman—W. J. Schmidt, Long Island Lighting Co., Mineola, New York

ganizations to honorary membership in American Gas Association. At the same time, the traditional sterling silver Presidential Bowl was presented to President Cuthrell in commemoration of his outstanding administration and devotion to A. G. A. affairs.

Opening the Tuesday general session, Wallace G. Strathern, director of training, Eastern Gas and Fuel Associates, Boston, spoke on "How to be Human on the Job." Of the three "M's" making up a successful business—material, money and men—men come first in today's economy, he said.

Noting that life itself is one long selling job, Mr. Strathern enunciated the cardinal principles of good personal salesmanship. High on the list is ability and willingness to talk from the other fellow's viewpoint. "Learn to like people," he advised. "Wear a friendly smile, and be generous with honest praise."

Among other points recommended to improve job relationships were: talk in terms of *you* not *I*; learn to agree before you disagree; don't argue; when you're wrong, say so; use showmanship; ask questions; use observation; and keep moving.

Mr. Strathern wrapped up his advice with "Don't take yourself too seriously." While it is essential to maintain a reasonable amount of dignity as a supervisor on the job, he commented, it shouldn't be overdone.

"We can get work done the way we want it, when we want it, if we will remember to act human. When it comes right down to it, men do not like loose management, but they do want to be treated honestly, fairly and impartially. They will appreciate and go all out for a supervisor who has learned "how to be human."

Major Alexander Forward, for many years managing director of A. G. A., made a surprise appearance on the platform to present the gold medal of the Institution of Gas Engineers of England to Past-President Robert W. Hendee. Mr. Hendee was honored for presenting the best paper at the Institute's 1949 meeting in London. Subject of the paper was "Peak Load Problems of the United States."

The next speaker, Arch N. Booth, executive vice-president, U. S. Chamber of Commerce, Washington, D. C., made a forthright attack on the forces that are undermining our democratic system. Under the title, "Truth in Action," Mr. Booth declared that the American way of life is threatened in a far more serious way from within our own borders than from Russia.

"Our personal freedom is being threatened today by the present sharp trend toward Collectivism, Welfarism, State Socialism—call it what you will," he emphasized. "Unless we stop this trend, we will lose via the back door the very things we are ready and willing to go to the ends of earth to protect."

"When you have socialism—government ownership and management—you have government *control* and *coercion*. . . . You are then no better off than you would be if some foreign power invaded the land and set up a new form of government, depriving you of your freedom."

Powerful groups such as the communists, certain labor leaders, and "above all, the controllists or social planners" are thrusting socialism upon us, Mr. Booth charged. The most powerful forces in this push are the controllists who sit in high places in the government, everlastingly devising costly socialistic schemes. They are of three types, he pointed out.

There are the idealists who want their conscience to be your guide; the experimentalists, who recognize "as we do, that our present economic system is not faultless", and third, the bigger-and-better-job boys, who want increasing authority, billions of dollars to spend, and the satisfaction of putting their ideas across in a big way—at your expense.

"The advocates of socialism have a working blueprint," according to Mr. Booth. "They seek to weaken their opposition by traveling one important mile at a time." He defined the first mile as creating public misunderstanding; the second, spreading defeatism; and the third, undermining management. "As you know," he summed up, "this is a battle where you only lose once."

To stem the tide, Mr. Booth advocated that each citizen make it his business to know how and why a free society works. He should also not make demands on the government to do something for us which we can do ourselves. Finally, we should be active politically. "Wherever you are, put the truth in action," he counseled.

Concluding feature of this session was the presentation of awards to individuals and companies for outstanding service to the gas industry. Among those presented were: Distinguished Service Award, Meritorious Service Award, Beal Medal, Gas Summer Air Conditioning Progress Award, Home Service Achievement Award, and Gas Heating Progress Award. (Details of the impressive ceremony are reported beginning on page 24.)

At the final general session, James F. Oates, Jr., chairman, The Peoples Gas Light and Coke Co., Chicago, presented a hard-hitting address on the peak load problems of the gas industry. Introducing his topic, Mr. Oates made a fervent plea for the utilities to oppose the trend towards socialism and nationalization of industry. Because utilities are the first target for socialistic attacks, he maintained, they are "the first line of defense against such efforts."

"To carry on this fight successfully," Mr. Oates said, "utilities must perfect service and retain public favor. They must operate their business successfully, efficiently and honestly, and particularly must solve the urgent problems affecting the adequacy of service to the public."

"Peak demands for space heating in cold winter months, however, create deep summer valleys, with the result that it is difficult to achieve a year around plant utilization which is economically sound."

"Seasonal storage is, of course, the only ideal answer. But it is not now available in the neighborhood of many substantial markets. . . . The problem is one of balancing as far as possible winter and summer loads." (Mr. Oates' address is reprinted beginning on page 18.)

New officers were elected at the final session to guide A. G. A. and industry affairs during 1950-1951. The Time and Place Committee, George E. Whitwell, chairman, announced that the Thirty-Third Annual A. G. A. Convention will be held October 15-18 in St. Louis, Missouri.

As the curtain dropped, it was apparent that the 1950 convention had set a fast pace for the year ahead. To the perennial job of selling an industrial product or service had been added the all-important task of selling a system of government, a way of life based on individual freedom. The gas industry plays a key role in this international drama.



(Left to right) W. H. Kusmaul, Northern Indiana Public Service Co.; Paul R. Taylor, vice-president, Stone & Webster Service Corp., and L. B. Smith, vice-president, Northern Indiana Fuel & Light Company



Vivian L. Marshall (left), chairman-elect, A. G. A. Home Service Committee, conferring with Elyse Van Dyke, Alabama Gas Corporation



Oklahoma delegation: E. Maurice Meyers (left), Richard W. Camp, vice-president, Consolidated Gas Utilities

Television planners: W. S. Redpath (left), Ketchum, MacLeod & Grove; H. E. Eckes, chairman; C. Fred Westin, Public Service Electric & Gas Co.



QUOTES

*Selected thoughts on subjects
from research to reserves, liberty to loads,
give picture of busy convention*

● HAROLD E. STASSEN, president, University of Pennsylvania—"I believe that economic freedom is inseparable from the other freedoms of a social or civil or religious or political nature. I consider further that efficient successful utilities under the management and ownership of citizens and not of government are an important bulwark for the freedom of the people of this nation."

● HUGH H. CUTHRELL, president, A.G.A.—". . . the most critical problem facing us is to awaken our industry and particularly top management of gas utilities and gas appliance manufacturers to the crying need for a greater sales effort. . . . We should do all that lies within our power to present this industry to the young men and women of America as it is—a growing, expanding and demanding business, with horizons and opportunity—and romance—enough to satisfy the most adventuresome. If we can achieve these things and continue the march toward the goals that leadership of this industry has set, gas will continue as the Flame of Progress."

● D. A. HULCY, president-elect, American Gas Association, and president, Lone Star Gas Co., Dallas, Texas—"The foundation of our dealer assistance program is the definite policy, clearly enunciated and uniformly understood, that the company will do all it can within the realm of good business practice to contribute to the success of independent appliance dealers."

● JOHN K. KNIGHTON, general sales manager, Servel, Inc., Evansville, Indiana—"Dealers are the arms and legs of the gas appliance industry. Pipelines and mains may transport the fuel, but it takes people—selling people, men and women with a zeal and a purpose, reaching into every market—to transport the products of end use, gas appliances and equipment."

● DR. JOHN J. WITTMER, vice-president, Consolidated Edison Co. of New York, Inc.—"Industry has been grossly guilty of banishing into retirement, men still capable of worthwhile economic productivity."

● FRANK C. SMITH, chairman, A.G.A. Promotional Planning Committee, and president, Houston Natural Gas Corp.—"The magnitude of our competition requires that we make plans—big plans—plans adequate for all conditions—plans that will unite the gas industry for aggressive action and thus gain strength that will make it possible for us to be more effective than our biggest competitors."

● JOSEPH BOWES, president, Oklahoma Natural Gas Co., Tulsa—"As representatives of the gas industry, we have a vital stake in the industrialization of the areas we serve. . . . It means growth and prosperity for our cities. . . . It offers an opportunity for leadership in our communities."

● STANLEY H. HOBSON, president, GAMA, and president, Geo. D. Roper Corp., Rockford, Ill.—"How much are you willing to spend to protect an investment of approximately \$7,900,000,000, with revenues of \$1,694,331,000 or approximately \$47 a year per residential customer, and out of that amount approximately \$32 a year from gas ranges? If we are to survive the vigorous attacks made upon us by the electric industry, then I urge every gas company executive to support now and without hesitancy the A.G.A. and its request for cooperative money for strengthening their national advertising program."

● W. PAUL JONES, president, Servel, Inc., Evansville, Ind.—"There are more than 8,000 cities, towns and communities in the United States that have organized piped gas service. Can you imagine what the result would be if the utility outlet in every one of those 8,000 centers started tomorrow on a well-balanced sales coverage program on every gas appliance?"

● LYON F. TERRY, vice-president, The Chase National Bank, New York—" . . . From the present evidence, it is my judgment that the future recoverable natural gas in this country will exceed 500 trillion cubic feet. . . . The 6.25 trillion cubic feet of natural gas produced per year is being increased rapidly and will probably reach ten trillion before 1960. . . ."

● ARCH N. BOOTH, executive vice-president, U. S. Chamber of Commerce—"Only truth in the minds of the vast majority of Americans—and only cooperation in their hearts—can save America from the insidious propaganda of those who sow the seeds of discord and strife in our communities and our national life; who make promises they know they cannot fulfill; who set up one group against another; who present, as new cure-alls, old tricks that have failed 10,000 times in history."

● WALLACE G. STRATHERN, director of training, Eastern Gas and Fuel Associates, Boston—"When it comes right down to it, men do not like loose management, but they do want to be treated honestly, fairly and impartially. They will appreciate and go all out for a supervisor who has learned how to be human on the job."

(Continued on page 55)

*Private utilities are a bulwark
for freedom—pass the word to employees*



Utilities and freedom

By HAROLD E. STASSEN

*President, University of Pennsylvania
Philadelphia, Pa.*

I believe that economic freedom is inseparable from the other freedoms of a social or civil or religious or political nature. I consider further that efficient successful utilities under the management and ownership of citizens and not of government are an important bulwark for the freedom of the people of this nation.

Never were alert, well-conceived and well-carried-out programs of fundamental information for employees more important than right now in this twilight zone between peace and war and the rearming of our country.

Here is a chance, in the atmosphere of necessity, to talk to employees about

the way in which our needed expansion is being carried forward under a capitalistic system. Show them how this expansion is supported in part by reserves built up from past profits, in part from funds obtained from the floating of securities, and from funds drawn from some of the great insurance pools of capital under our private capitalistic system.

Now is the time to translate into terms of community service the basic facts of the capitalistic system. Then relate it to this very interesting matter of fundamental rearmament and the defense of their way of life.

Do your employees know, for example, that they have to work less than one-third as long to buy shoes for their children, to buy shelter for their families, to buy clothes for their families as do gas industry workers in Socialist countries? Less than one-eighth as long as gas industry employees in the totalitarian countries?

Do your employees know that work-

men in this country have to work only one-sixth as long to pay for heating their houses with gas, as do workers in totalitarian and socialist countries?

I recall a dramatic incident during the war on this matter of providing information. Admiral Halsey's fleet was moving in to strike Formosa and proceed with the winning of the war.

There was an alternate plan. If everything looked well, the fleet would move down into the South China Sea and cut off Japanese supply lines down to Singapore and the rubber area.

On this particular evening as the strikes went in over Formosa, instead of the fleet turning back to the west, it suddenly took a course on orders of Admiral Halsey down toward the South China Sea. Every sailor in the fleet knew as the twilight gathered that the fleet was proceeding in a different direction to meet some new situation—that it was not sailing back toward the more secure areas. (Continued on page 67)

Excerpts from paper presented during 1950
A. G. A. Convention in Atlantic City, N. J., Octo-
ber 2-6, 1950.

*Changeover and reserves top
agenda at Convention joint session*

Natural gas forging new spirit of unity



Western arrivals: William R. Beardsley (left) and Robert W. Freese (right), Colorado Interstate Gas Co., with James D. Jones, Canadian River Gas Company



Discussing natural gas: E. J. Murphy (left), The Brooklyn Union Gas Co., exchanging pointers with E. G. Boyer from Philadelphia Electric Company



Delegation from the South and West: R. E. Crawford (left), president, Minnesota Valley Natural Gas Co., chatting with representatives from Lone Star Gas Company—Julian L. Foster, L. T. Potter, L. G. James, L. I. Dyer, and E. F. Schmidt, (extreme right) vice-president



Joint session officers: George F. Mitchell (left), chairman, Manufactured Gas Department; D. A. Hulcy, chairman, Natural Gas

There's good news about natural gas! According to Lyon F. Terry, vice-president and natural gas consultant for The Chase National Bank, New York, future recoverable supplies of this natural fuel may exceed 500 trillion cubic feet.

Mr. Terry was a major speaker last month at the 1950 American Gas Association Convention in Atlantic City, New Jersey. His remarks on "The Future Supply of Natural Gas" were delivered before approximately 900 delegates at a precedent setting joint meeting of the Manufactured and Natural Gas Departments.

After supply, one of the most important subjects today is that of changeover from manufactured gases. Management's problems in connection with changeover were discussed at the meeting by a special panel of experts. Moderator Irving K. Peck, vice-president, The Manufacturers Light and Heat Co., Pittsburgh, directed the following panel members: Dudley B. W. Brown, vice-president, Milwaukee Gas Light Co., Milwaukee, Wis.; Howard B. Noyes, vice-president, Washington Gas Light Co., Washington, D. C.; Robert W. Otto, president, Laclede Gas Co., St. Louis, Mo., and Harry K. Wrench, president, Minneapolis Gas Co., Minneapolis, Minnesota. (A summary of information presented by the panel appears on the following page.)

Natural gas soon will reach every state in the nation, D. A. Hulcy, chairman of the Natural Gas Department, told the audience at the beginning of the meeting. He described the joint session as a

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Changeover panel: Irving K. Peck (center), vice-president, The Manufacturers Light & Heat Co.; Dudley B. W. Brown, vice-president, Milwaukee Gas Light Co.; Howard B. Noyes, vice-president, Washington Gas Light Co.; Robert W. Otto, president, Laclede Gas Co.; Harry K. Wrench (right), president, Minneapolis Gas



Lyon F. Terry, The Chase National Bank, who addressed joint session on the future supply of natural gas

noble experiment dictated by the fact that the advance of natural gas has drawn all sections of the industry closer together than ever before.

During his introduction of Mr. Terry, Mr. Hulcy pointed out that the speaker has been engaged in oil and gas engineering since 1915. For many years Mr. Terry was connected with a prominent firm of consulting natural gas engineers and for the past 14 years has served as natural gas consultant for The Chase National Bank.

"The American gas industry is having an unprecedented boom in the construction of natural gas pipelines," Mr. Terry reminded the delegates. "The existing lines to those large cities now being served with natural gas have been enlarged and are being further extended. Natural gas from Texas has reached Philadelphia and Staten Island, will soon reach all of New York City and vicinity, Buffalo and San Francisco. There are proposals to bring natural gas to New England and to the Pacific Northwest. Hence, it may be timely to inquire into the future supply of natural gas," he stated.

Continuing, Mr. Terry discussed features of the latest annual report published by the Association's Committee on Natural Gas Reserves. This report showed, he added, that estimated proved recoverable reserves in the United States on December 31, 1949 were 180 trillion cubic feet. Net production for 1949 was estimated at 6.25 trillion cubic feet and

probably will reach ten trillion before 1960, he added.

In Mr. Terry's opinion a larger element of future supply will be the yet undiscovered deposits of natural gas which will be found in the search for oil as well as gas. There is good reason to believe, he added, that in the future the ratio of gas-to-oil in hydrocarbon discoveries will be higher than it is now. This statement is based largely, Mr. Terry said, on the current trend to deeper and deeper drilling where higher reservoir pressures will be found. He also advised that "a principal future hunting ground for natural gas will be the Gulf Coastal Plain and the tidelands offshore therefrom. . . .

"Over half of the known reserves of gas in the United States as a whole have been found in the last ten or fifteen years," Mr. Terry added. He concluded his talk by setting future recoverable natural gas in the U.S. at 500 trillion cubic feet or more.

Another testimonial to natural gas was presented by George F. Mitchell, chairman, A. G. A. Manufactured Gas Department, and president, The Peoples Gas Light and Coke Co., Chicago. ". . . we are fast approaching the time when natural gas will be the basic fuel of the gas industry," Mr. Mitchell said during his introduction of the changeover panel.

Election of officers was another feature event on the joint session program. Presiding were the two chairmen for the new year: George F. Mitchell—Manu-

factured Gas Department, and C. E. Bennett, president, The Manufacturers Light and Heat Co.—Natural Gas Department. Names of gas industry executives elected to the managing committees of the two departments are announced in the Industry News Section of the MONTHLY.

J French Robinson, president, The East Ohio Gas Co., Cleveland, and chairman, Time and Place Committee, reported that the Natural Gas Department will hold its 1951 spring meeting May 7 and 8 in Dallas, Texas.

● Following is a summary of ideas presented during the panel discussion on "Problems of management connected with introducing natural gas into manufactured gas systems:"

Mr. Peck: The northeastern part of the country, New Jersey, Metropolitan New York City, and New England, is only 2½ percent of the land area of the country but contains 20 percent of the national population. The area also includes many large manufactured gas companies anticipating the arrival of natural gas from Texas—"nature's greatest gift to modern living." About ten of the larger manufactured gas companies in this area have submitted questions on this problem that they would like to have discussed. Many of the most-asked questions will be answered by the four experts on this panel—men who are well experienced and who have met the prob-

lems of converting from one type of gas to another.

Question: Could you formulate a general policy and procedure on publicity and public and customer relations applicable to companies now facing a changeover?

Mr. Otto: Success of the conversion depends largely upon the way the work is planned in advance and later executed, plus a thorough education of the utility's customers. A comprehensive program should be drawn up for educating the public and customers. This may include newspaper advertising and publicity, direct mail, together with handbills and direct customer contact.

It is strongly urged that representatives of your company make personal contacts with the press. Efforts should be made to personally contact such officials and explain details of the conversion program. It is particularly helpful to arrange for municipal and city officers to view demonstrations of the actual conversion of gas appliances. Police and fire departments, too, should be informed of the nature of the job, number of men who will be working as conversion adjusters, and the time when conversion crews will be in given areas. In addition, customer contact departments should be thoroughly trained in every phase of the conversion.

Question: What are the comparative operational costs with catalytically cracked natural gas compared to thermally reformed natural gas?

Mr. Noyes: Comparative operating costs are dependent to a large degree on the

relative costs per therm of natural gas and solid fuel. Carl A. Schlegel, vice-president, United Engineers and Constructors, Inc., in a recent article cited a case in point. One gas company, he showed, found that with coke costing \$16 per ton and natural gas 30 cents per Mcf, the production of catalytically reformed natural gas enriched to 530 Btu was approximately four cents per Mcf less than that of thermally reformed natural gas.

About half of this saving is reported to be fuel saving because of the substitution of natural gas for coke. The remaining economies are effected through reduced labor, purification and maintenance costs. The catalytic method produces relatively little nitric oxide compared with the thermal process. Since there will be less chance of the formation of gum compounds, this feature should reflect lower appliance servicing costs.

Question: How has the maximum hour been met when many pipeline systems require that the take be at a uniform rate over the 24 hours?

Mr. Brown: By one or a combination of the following: (1) use of holder capacity to supplement natural gas take; (2) use of manufactured gas standby facilities at times of extreme peaks; (3) installation and operation of compressed gas storage facilities; (4), indirectly, by use of storage fields adjacent to distribution which are filled during seasons of low consumption.

Question: (1) Will the introduction of a

650 Btu mixed gas, composed of reformed natural gas enriched with straight natural, cause increased distribution system leakage? (2) Will this mixed gas with little or no carburetted water gas as a component increase meter diaphragm trouble when it replaces carburetted water gas?

Mr. Noyes: (1) Possible increased leakage effect depends on a number of variables. If the mixed gas is of a higher heating value than that formerly distributed, unaccounted for probably will increase in percentage. Relative amount of water vapor content in the new and old gases is another determining factor. (It is assumed that distribution pressures remain unchanged after the conversion.)

(2) Mixed gas with its little or no oil vapor content probably will absorb the oil deposited on meter diaphragms during the period of carburetted water gas distribution. This may cause leather meter diaphragms to harden and shrink somewhat.

Question: (1) What is the effect of changeover to straight natural on gas meters? (2) Should practices on meter repairs and diaphragm replacement be commenced well in advance of the changeover, if possible? (3) What is the effect on gas mains and joints? (4) What is the effect on district regulators and house governors?

Mr. Noyes: (1) No general answer is possible to these questions. However, change from (Continued on page 52)



Early get-together at Atlantic City convention: (Left to right) Fred W. Batten, James S. Phillips, Columbia Engineering Corp., with John W. Partridge, representing United Fuel Gas Company



C. S. Goldsmith (center), The Brooklyn Union Gas Co., chatting with O. H. Folger (left) and M. J. White, representatives from Public Service Electric & Gas Company

GAS

The flame of progress

By HUGH H. CUTHRELL

*President, American Gas Association,
and Vice-President, The Brooklyn
Union Gas Co., Brooklyn, N. Y.*

Gas—The Flame of Progress! That high-sounding slogan is no idle boast; it is a statement of fact. Progress through service to millions has been our byword and our creed. That progress is amply demonstrated at this convention. You have only to walk through the great exhibition of gas appliances and gas equipment to see overwhelming evidence of progress in the utilization of the gas flame. It is a tremendous demonstration of faith and confidence that our appliance manufacturers went ahead with this exhibition at a time when they are adjusting themselves to the economic mobilization program. I salute the Gas Appliance Manufacturers Association and its members who have assembled this magnificent display.

Another heart-warming demonstration of progress is the \$150,000 exhibit at Chicago's Museum of Science and Industry which was dedicated last month. A complete gas industry museum exhibit of 21 units, it is a centennial present from The Peoples Gas Light and Coke Company. It will serve as a permanent reminder of 100 years of gas service to the City of Chicago.

Paper presented at 1950 A. G. A. Convention in Atlantic City, N. J., October 2-5, 1950.

Statistical evidence of our progress in the past year is most impressive. Customers served by gas utilities total nearly 24 million, a gain of more than one million in the past year. Add to this the five and one-half million LP-gas customers and we see that nearly 30 million American homes are receiving the benefits of the blue flame.

Utility gas revenues are now running at the rate of one and three-quarter billion dollars per year, ten percent higher than the previous year and more than double the industry's revenues of ten years ago.

This healthy expansion of the gas industry is reflected in the vast new construction program which is under way or planned. An American Gas Association survey recently completed indicates that the gas utility industry has on the planning boards over three billion dollars worth of new facilities to go in by 1954. Six billion dollars has been or will have been spent in the ten-year period ending in 1954 which is a billion dollars more than the value of the total gas utility plant in service at the beginning of 1945.

Spearheading this progress is, of course, the natural gas branch of the industry. The major pipeline projects will add a carrying capacity of nearly three billion cubic feet per day. The largest authorized line in 1949-1950 was Texas Illinois Natural Gas Pipe Line Company's 1,328 mile project from Houston, Texas to Joliet, Illinois. Another industry milestone is the near

completion of the Transcontinental Pipe Line Company's 1800 mile line to serve the New York metropolitan area. Natural gas for New England and the Pacific Northwest came much closer to the actual construction stage this year.

This spectacular march of natural gas has brought the gas industry to its greatest opportunity for service and expansion. The public is eager for more gas service and investors are keenly interested in its securities. We have then a ready-made opportunity to capitalize on good will of priceless value. We must not betray this opportunity by unsound pipeline expansion or allocation or pricing of gas that is contrary to the public good. If we exercise good judgment, operate our business at maximum efficiency and in the public interest, we will keep faith with our obligations.

From the standpoint of national defense, the tremendous growth of natural gas use, now reaching 65 percent of the industry's customers, could not be more timely. It makes available to American industries vast new quantities of this ideal fuel when they need it badly and, at the same time, it releases for military use, thousands of gallons of enriching oil, hitherto needed to manufacture gas.

But what about our resources? Natural gas now supplies 20 percent of the total energy supply of the United States, compared with 11 percent in 1940, and four percent in 1920. In the face of this use, are we in danger of

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... taxes, write-ups. LA 4-9878.
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... audits. JS 1-3678, after 5.
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ACCOUNTANT, CFA, 18 years, part time,
public private: \$15. Evergreen 8-9777.
ACCOUNTANT, CFA, LL.B. \$10 day, audits,
bookkeeping, taxes. C149 Times.
BOOKKEEPER—FULL CHARGE
Young man; heavy experience: \$60.
Handle general ledger. Interviews 1-3 PM.
LANCE TELEVISION LABORATORIES
111 Jerome Ave, Bronx (178 St)
BOOKKEEPER'S Assistant, to work on
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Filling valleys is in the public interest



James F. Oates, Jr. (left), chairman, The Peoples Gas Light & Coke Co., speaker on peak demand (see page 18), with George F. Mitchell, vice-president-elect, A. G. A.

exhausting this vital fuel? That question now directly concerns millions of people, and our national and state governments as well. We find the situation today completely reassuring. Natural gas reserves at the end of 1949 were 180 trillion cubic feet, according to estimates of the A. G. A. Committee on Natural Gas Reserves. This compares with 174 trillions one year earlier. Reserves advanced six and a half trillion cubic feet despite record net production of more than six trillion during the year.

With such reserves, it is in order to examine briefly our market potential. We in the gas industry feel that *every* home within the reach of the gas mains is a live prospect. Only intelligent main expansion policies and aggressive merchandising efforts on the part of the industry are needed to convert those who are not now using our appliances.

The brightest prospect for increased gas load growth which coincides with the advance of natural gas, is in the house heating field. Gas heating saturation at the end of 1949 was nearly 37 percent of those receiving gas service. Eight and one quarter million customers are heating with gas! More than a million new customers will be added in the 1950-51 heating season. And this is only the beginning.

A keystone in the progress of the gas flame has been the gas industry's constant effort to raise the level of gas appliance performance and to protect the consumer from inadequate and unsafe equipment. At the head of this program has been the outstanding work of the A. G. A. Laboratories which are celebrating their twenty-fifth anniversary this year. Throughout all these years the laboratories have provided a praiseworthy example of industry self-regulation in the public interest. American standards have been set up and enforced for numerous gas appliances, thus assuring the consumer a valuable guide to safe performance. Government and business authorities alike have hailed the achievement of this public-spirited program.

Laboratories expansion

It is a fitting tribute to the growth of this A. G. A. Approval Plan for gas appliances that this anniversary year will be marked by the construction of a new two-story building adjoining the main Cleveland Laboratories. Upon completion, the new building will provide more than 20,000 additional square feet of floor space. Although the facilities at Los Angeles were doubled last year, this will be the first permanent addition to be made to the present

structure in Cleveland, which was erected in 1928.

During 1949, nearly 50 percent more approval tests were made than in the previous year. This upward trend has continued during 1950. Manufacturers served by the A. G. A. Laboratories have climbed from approximately 300 in 1946 to 800 by January of 1950.

In addition to appliance testing operations, the Laboratories have conducted valuable research projects for a period of many years.

Previously I said that the only sure fact in economics today was that we can expect changing conditions. In my opinion the way to take advantage of change is through bold and courageous action. We are faced today with just such a decision. We can either point to the war emergency as a prime reason for scrapping our promotional programs or, we can proceed with plans which will strengthen our industry in war or in peace. I do not mean that some readjustments may not be necessary but, the root of our strategy and basis for our action should continue to be the PAR Plan. To date our industry has invested more than nine million dollars in the program. It has been productive beyond our hopes, and has proved its value to our industry far and away above its cost. It has brought us better appliances, improved gas-making processes, investor confidence, and national good will. It has advanced our competitive position and the time to slow the PAR program down *is certainly not now*.

Enthusiastic participation in PAR Plan activities by individual companies is a vital first ingredient in the success we must achieve. I mean *more* financial support and individual work in the various PAR activities. One look at the organization of our competitors, from the top of the industry down to its dealer program, should convince any of us that those who seek to take over our basic loads, not only are *willing* to research and advertise their products, but they are actually *spending* their money on the largest promotion of its kind ever launched in America.

Let's take a closer look at this PAR Plan which has provided the blueprint and the funds for A. G. A. action. Since 1948, long-range planning of sales campaigns has (*Continued on page 56*)

Social security unlimited



By JAMES K. POLK

Whitman, Ransom,
Coulson & Goetz
New York, N. Y.

One of the most amazing things in our lifetime is the expansion of the activities identified and grouped as part of our social security program. The expansion rate has been far more rapid than other economic factors such as aggregate salaries and wages or national income.

Of course, over the same period, there has been a visible rise in the standard of living in our country. Upon casual consideration it might appear that social security and standard of living are interdependent. I do not believe this.

The increase in the standard of living is easily traced to the expansion of production in our enterprise system. This in turn largely is due to the efficiency of specialization and mass production.

I think the expansion in the social security area is largely influenced by this increase in specialization. The individual worker a century ago was diverse in his activities. In a predominantly agricultural community he could and did well provide for himself during his working years.

Today the situation is wholly different. The individual no longer directly obtains his housing, food, even clothes and medicines, as the product of his own hands. These securities are beyond the abilities and training of today's worker whose contribution to our economy is the single operation in a production line or performance of other specialized and limited operations in our industrial world. The modern worker has all the necessities of his forebears and inherently none of his securities. The realization of this *relation of the securities to necessities* rather than *ability to underwrite* them is essential to objective study of the subject.

The demand for securities on the part of the specialized worker has expanded in direct ratio to the specialization itself. In the early stages, the securities were strictly job related, such as workmen's compensation, minimum wages, safety regulations, hours of labor, etc. These were the things a self-employer could control himself, but over which an employee had no control.

The next progress was in the direction of securities for minimum retirement and old age assistance. The self-employed could support himself as long as necessary. He was by training so equipped. However, the modern employee faces total unemployment when his efficiency declines as his age advances, or where his employment is terminated

arbitrarily at fixed age attainment. As a part of these expanded types of securities, there were adopted unemployment insurance and disability benefits.

Finally came the demand for the more complete securities which were deemed proper in an economy blessed with our high standard of living. These included health, medical, and related securities such as public assistance for the blind, hospital and medical care, maternal and child health care, school lunches, vocational and medical rehabilitations, public health research and scores of such projects. Superimposed are the very large veterans' programs in all three areas, medical, educational and charitable. These last groupings of general health, welfare, and veterans' benefits are completely unrelated to job compensation.

Time to consider

Now all of these projects appeal to the heart, and, considered separately, can certainly never be curtailed or eliminated. It is seldom that even a restriction on expansion may be discussed without incurring the wrath and enmity of powerful groups who are proponents of each individual security. But it is obviously our duty to probe these matters, since it is becoming increasingly apparent that the unlimited expansion of these security programs is more than can be borne by any economy. Most of the security proposals have been individually considered and adopted on their merits and appeals. I believe that it is now time to consider them in their proper classifications and from an over-all viewpoint.

First, let me recall some of the various amounts with which we are dealing. The July 1950 issue of the Social Security Bulletin (issued by the Federal Security Agency) showed the cost of these security services for the fiscal year 1948-49 to be in excess of eleven and one-half billion dollars. Of this amount approximately six and one-half billion dollars represented federal expenditures and balance state and local expenditures.

These amounts are understated as of today, since the recently enacted legislation liberalized the benefit and eligibility provisions of the Federal Social Security Statute and increased federal participation in state aid programs. Estimates have been made projecting existing security figures into periods in which the maturity liability- (Continued on page 60)



How can we fill summer valleys?

By JAMES F. OATES, JR.

Chairman, The Peoples Gas Light & Coke Co.
Chicago, Ill.

It is my firm conviction that the public utility companies of our country are the first line of defense against the further extension of socialism and nationalization in the United States.

Ours is, therefore, a heavy obligation. We must prove to our customers (the public, the voters of the nation) and to the regulatory tribunals, that the privately-owned, privately-operated public utility can provide the best of service with courtesy, efficiency, and honesty. We must prove that this service can be provided at a price which is the lowest and fairest that can reasonably be expected to maintain and expand high quality of service.

We must so conduct our business as to deserve and retain public confidence to the end that vast numbers of people who are our customers will be content to rely upon our own integrity, fairness, and ability, and not seek from governmental agencies the services we provide.

To the extent that we, who are responsible for the operations of public utilities, deserve and retain public confidence and trust, we are not only protecting the properties for which we are responsible but we are maintaining the first line of defense, back of which lies the great body of unregulated American industry. We are, indeed,

selling the United States of America and the ideals upon which it rests. Thereby, we are contesting in the most effective way the validity of collectivism which is being sold throughout the world with increasing success by enemies of the American ideal.

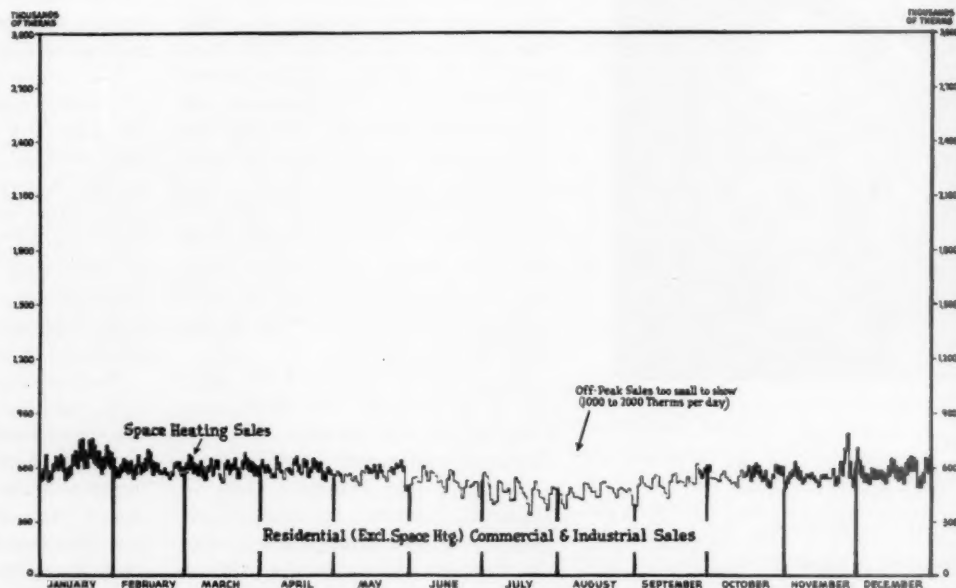
If we are to earn and retain public confidence and trust in the gas utility business, the first obligation expected of us is to provide service without discrimination at reasonable costs to all who desire it. Public utility companies such as the Peoples Gas Light and Coke Company of Chicago now find themselves in the unhappy and unwholesome position, where demand for gas far exceeds the capacity of the present facilities of these companies to deliver.

This demand is largely for gas for space heating of residences. It is a demand which has been aggravated by the current relatively low gas rates as compared with the higher costs of competitive fuels. Because of this situation many companies have been required to appeal to state utility commissions for orders limiting and prohibiting the acceptance of additional space heating customers. Such orders are required in the public interest to avoid the serious

Presented during 1950 A. G. A. Convention in Atlantic City, N. J., October 2-5.

1930

Daily gas requirements for all classes of sales,
The Peoples Gas Light & Coke Company



reasonable prices comprise the first line of defense against socialism

consequences of curtailment of sendout to the great body of general domestic customers and to avoid the shut down of industry which depends upon gas.

The situation is obviously unsound. It is an industry nightmare. We cannot long deny to the public the service which it demands. The situation cannot be tolerated. It must and will be solved but its solution is not easy. Unless it is solved by the utilities, the public will be served and they will turn elsewhere for help. It is not difficult to guess where they will turn.

In the instance of Peoples Gas, a major step in the direction of a solution is presently in process. An affiliated company, Texas Illinois Natural Gas Pipeline Co., is now constructing a pipeline more than 1,300 miles long to bring large additional quantities of natural gas from the Texas Gulf Coast to the Chicago area.

Every cubic foot of flow natural gas which is brought to market for the purpose of filling the space heating demand presents a problem greater than that presented by the preceding foot of gas. Space heating customers in the Chicago area provide only a 25 percent annual load factor. The high peak demands in the winter months bring deep valleys in the demand picture

during the warm summer months. As a result, with a large space heating load, it is difficult if not impossible to achieve year round utilization which is economically sound.

Public officials and elected office holders as well as the members of the Federal Power Commission are as well aware of the problem as you and I. Unless we of the gas industry are able to arrive at answers that provide service to the public at reasonable prices, we can be assured that the politicians and representatives of government will present what they consider to be the best solution. Economic vacuums cannot exist. Either we eliminate them or someone else will. Under present trends that "someone else" will probably be a government agency.

It is believed that certain programs or combinations thereof are available to meet this ever-growing problem of leveling peaks and valleys.

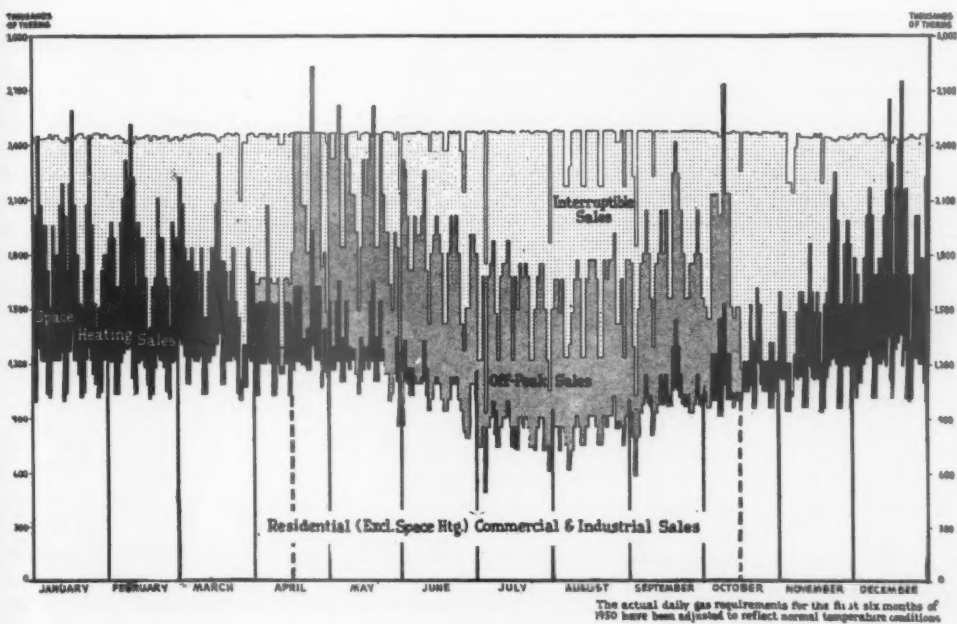
(1) Serious consideration must be given by utilities and regulatory agencies to the possible increase of rates for space heating. This is necessary in order to protect the financial integrity of utilities, to further the long-term welfare of the consuming public, and to prevent the untoward exhaustion of natural gas because of rates which are

uneconomically low as compared with competitive fuels.

It will be, indeed, an anomaly, if the most convenient, most reliable, and cleanest fuel is permitted to sell at rates so low in comparison to the prices of unregulated competitive fuels that the response to the demand thus aggravated forces an expansion of plant beyond economical levels because of the low load factor of heating service. Thus natural gas is forced to market at a cost lower than its economic worth on the theory that its service is a monopoly. Actually it is merely a fuel competing with coal and oil. Surely the Btu economy of the country would be far sounder if these circumstances and jeopardies did not exist.

The gas utility is caught by a serious dilemma: Either it fails to serve the public and is nationalized or it provides service uneconomically and becomes bankrupt.

(2) Where distribution companies have production facilities, they should be maintained and modernized and kept available for peak shaving and standby purposes. We all know this method is expensive and not a final solution in areas where the space heating load is growing rapidly. (See page 20)



Personnel policies probed at convention

A WELL-ATTENDED meeting sponsored by the Personnel Committee was an important part of the A. G. A. annual convention in Atlantic City. Timely subjects such as management in a war economy, and the retirement of aged employees, were the center of discussion. L. A. Brandt, chairman, A. G. A. Personnel Committee and director, personnel relations, The Peoples Gas Light and Coke Co., Chicago, presided at the October 4 meeting and led the discussion.

Opening the session, Robert K. Burns, executive officer, Industrial Relations Center, The University of Chicago, presented valuable guideposts to ease management's headaches and improve employee relations in an emergency period. Citing experiences in World War II and since then, Mr. Burns told how sound employee relations practices led to greater productivity and improved leadership. He advocated an all-out effort now to win employee loyalty and goodwill.

"Actions not words or gestures will decide whether you win or lose employee support," he declared.

What to do with the growing percentage of people who become 65 and over is a problem of increasing severity, Dr. John J. Wittmer, vice-president in charge of personnel relations, Consolidated Edison Co. of New York, Inc., told the personnel men. "Are greybeards economic white elephants to be sent to an elephant's graveyard via the retirement route?" he queried. "Or are people over 65 still a potential source of economic wealth—wealth which we have been needlessly plowing under?"

"Industry," Dr. Wittmer charged, "has been grossly guilty of banishing into retirement men still capable of worthwhile economic productivity. We have discarded skill and energy which could very well be utilized in the national economy and we have crushed the morale and will-to-live of a large portion of our population. Society generally has forced our aged citizens into the degrading position of parasites on society."

As industry's answer to this problem, Dr. Wittmer suggested two possible solutions: Establish a permanent retirement panel to consider each employee reaching retirement age on an individual basis. The words "on an individual basis," he emphasized, are the key to this new approach. The operation of the retirement panel, as envisioned by Dr. Wittmer, was described in detail.

The second proposal, a modification of the first plan, called for extending the retirement age to 68 or some higher level but adding "some mechanism to provide selectivity in order not to retain people who are physically or otherwise incompetent." This might be done, Dr. Wittmer pointed out, by having the medical and performance records of all employees reviewed starting at age 63, and each year thereafter up to the increased retirement age. A "disability panel" could then pick up the responsibility of deciding upon retirement or continuance on the job.

A workable solution to this over-age problem, Dr. Wittmer estimated, would save a substantial part of the annual cost of 15 billion dollars we will be paying in 1975 to support the nation's unemployed. At the same time it would add to the nation's productivity.

Utility companies should continue research on production facilities to meet peak loads.

(3) The solution that occurs to all of us is, of course, seasonal storage. On the basis of present information, storage of gas in depleted oil and gas fields appears to be the first answer. However, such depleted fields are not economically available to many markets. New and different methods are also being studied and developed but as yet all of these are much more costly than field storage. We in Chicago, of course, are studying this problem with all the research means available to us.

(4) Until such time as appropriate storage facilities are developed, markets for offpeak and interruptible sales of the so-called valley gas must be explored, developed, and encouraged. The leveling of peaks and valleys cannot be done by the attachment of firm residential business. Neither can it be done by attachment of large volume firm industrial and commercial business.

I will pass by the question of seasonal

storage since it is a subject that is being vigorously studied by distributing companies and pipeline companies. Likewise, we all know that, except for peak requirements, additional production facilities at present prices do not provide gas which can compete on a price basis with flow natural gas. The question of increasing rates for space heating to meet fundamental economic requirements is something which must be developed by the individual companies with their respective state regulatory bodies over a period of time.

The best present approach in our opinion to the solution of the peak and valley problem for many gas utilities appears to be extensive development of so-called offpeak and interruptible loads.

Sales of gas to interruptible and offpeak users tend to fill in the general firm demand and are therefore unquestionably of high desirability. Such sales help to build up the load factor on the utility company system. They serve to increase revenues and decrease the cost per unit of sale to the firm domestic

consumer. This has the effect of making possible lower rates for general customers and avoiding increases in firm rates which might otherwise have to take place to compensate for higher costs being experienced by utility companies in common with the rest of the business units of our economy.

Peoples Gas, which as a distributing company in the city of Chicago supplies more than 900,000 customers, has promoted the sale of gas on an offpeak and interruptible basis for a number of years. The upward trend of the offpeak business may be illustrated by a few figures expressing such sales as a percentage of total sendout to all customers other than to other gas utilities.

	Offpeak
1930	No sales were made to offpeak customers
1935	1.8%
1940	4.1
1945	5.6
1949	12.7

Interruptible service sales, on the other hand, have decreased from 43.76 percent of total sales volume in 1935 (there were no such sales in 1930) and 46.88 percent in 1940 to only 29.35 percent in 1949. It should be realized that sales to this class of customer reflect the quantity of surplus gas available after satisfying the demands of the firm customers, as well as the general economic conditions which prevailed in the year indicated. In our company the lower percentage of interruptible sales in 1949 indicates the increasing proportion of total annual sendout that is being sold to firm customers, both year round and offpeak.

It is also of interest to note the percentage of gas sold by Peoples Gas for space heating as related to total gas sendout for the same years as set forth above for offpeak sales.

	Peak Day	Annual
1930	11.7	4.7
1935	17.6	8.8
1940	29.6	9.1
1945	34.5	11.1
1949	43.5*	12.1

* Adjusted to normal peak day conditions of (—7°)

Note how significant the interruptible and offpeak business has become not only in the aggregate of the company's business but also in the portion of peak day (Continued on page 58)

Use of heavy oil to produce high Btu oil gas gaining wide acceptance

Oil gas by two and four-shell sets

By HALL M. HENRY

Vice-President

NEGEA Service Corp.

Cambridge, Mass.

THE art of producing oil gas has shown rapid advancement in designs and economic advantages over the past several years. These advances have been of particular value to some manufactured gas companies since they made possible an economical expansion of plant and distribution capacities and also (due to use of heavy oil) have provided a lower holder cost gas.

Capital advantages of high Btu oil gases based on Cambridge Gas Light Company's experience have been rather

completely covered in several papers by G. G. Howie, vice-president and general manager, Cambridge Gas Light Co., and by the writer. However, savings in holder costs with the use of heavy oil and resulting operating problems have not been fully reported upon, since operating data using heavy oil over a substantial period has only recently become available.

Purpose of this paper is to present: (1) a description of some of the equipment designs that have been used to produce high Btu oil gas using heavy oil; (2) some of the operating advantages and disadvantages of the several designs as thus far reported; (3) actual operating results using heavy oil.

More operating experience than thus far obtained will be required before a true and proper evaluation can be made of the several designs in use. In any event the economic aspects of heavy oil high Btu oil gas equipment must be determined by each company.

Cambridge Gas Light Company has been distributing a high Btu oil gas since August 1947. The company's entire gas needs were produced in three Gas Machinery twin generator oil gas sets, using light oil, until December 1949. During the summer and fall of 1949 the company installed equipment to use heavy oil.

Two different and distinct designs of high Btu heavy oil—oil gas sets were installed. One design, a 4-shell set, was similar to that used at Baltimore, Md. to carry out studies of the A. G. A. Gas Production Research Committee on the use of heavy oil for production of high Btu oil gas. The other is a 2-shell design which incorporates in two shells the principles of the 4-shell set. Both sets were built by The Gas Machinery Company.

The decision to install two different designs rather than a single design was based on the following considerations:

A. Reasons for installing 4-shell set:

(1) Some operating data was available;

HEAVY OIL HIGH BTU OIL-GAS SETS INSTALLED OR IN PROCESS

	4-Shell		2-Shell		Twin Generator Back Blast Remodeled
	New	Remodeled	New	Remodeled	
Baltimore					
Cambridge, Mass.					2
Lynn, Mass.					
Brockton, Mass.				2	
Lowell, Mass.					
New Bedford, Mass.					
Bangor, Maine					2
Columbia, S. C.					2
Augusta, Ga.					
Newport, R. I.					
Seattle, Wash.					1
Worcester, Mass.					
Total	4	2	5	2	7

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Address presented before Operating Section at 1950 A. G. A. Convention, October 23.

HEAVY OIL HIGH BTU OIL-GAS SETS INSTALLED OR IN PROCESS

	4-Shell		2-Shell		Twin Generator Back Blast Remodeled
	New	Remodeled	New	Remodeled	
Baltimore					
Cambridge, Mass.					2
Lynn, Mass.				2	
Brockton, Mass.					
Lowell, Mass.					
New Bedford, Mass.					
Bangor, Maine					2
Columbia, S. C.					2
Augusta, Ga.					
Newport, R. I.					
Seattle, Wash.					
Worcester, Mass.					
Total					

Convention chairman tours exhibits



Mr. and Mrs. George E. Whitwell examining modern gas appliance exhibits in the Atlantic City convention hall. Mr. Whitwell served as chairman of 1950 American Gas Association Convention Committee. He is vice-president, Philadelphia Electric Co.

(2) the mechanical problems were known.

B. Reasons for installing 2-shell set: (1) Manufacturers' proposals indicated it could be built for less money; (2) it would occupy less floor space; (3) conferences with a number of people familiar with the high Btu oil gas work of A. G. A. indicated that the 2-shell design should prove as satisfactory as the 4-shell design; (4) if 2-shell design proved to be satisfactory, conversion costs of existing twin generator sets or carburetted water gas sets would be substantially lower than for 4-shell set design, and existing buildings could be used.

In other words, there appeared to be certain advantages that could be realized with a 2-shell design. On the other hand, the 4-shell design was more of a known quantity. The company decided to place its eggs in two baskets instead of one.

In addition to the 4-shell and 2-shell designs as installed at Cambridge there are several designs for use of heavy oil.

Following is a brief description of designs known to the writer for oil gas production using heavy oil:

A. 4-shell heavy oil—oil gas set—This design was suggested by Edwin L. Hall, managing director of A. G. A. Laboratories, and makes use of four sepa-

rate and distinct shells which consist of two generators and two superheaters. The operation and design of this set has been fully explained in the literature and needs no further comment here for an understanding of the principles involved in the use of heavy oil. Four-shell sets have been built by Gas Machinery and Bartlett Hayward.

B. 2-shell heavy oil—oil gas set (design A)—The 2-shell heavy oil—oil gas set, as its name implies, makes use of only two shells. However, each shell contains what amounts to a generator and a superheater, so we have two generators and two superheaters. The generator portion in The Gas Machinery design as used at Cambridge, Lynn, Lowell and Brockton, Mass., is on top and the superheater underneath. The designs thus far have an arch which separates the generator from the superheater. Purpose of this arch is to catch any broken refractories and to simplify replacement of the generator checkers without disturbing the superheater. In all other respects the 2-shell incorporates the principles of the 4-shell set.

C. Twin generator—back blast heavy oil—oil gas set—A recent development (although Baltimore reported on the use of heavy oil in a twin generator oil gas

set) has been the addition of a back blast to the twin generator design to aid in the use of heavy oil for the production of oil gas. This design represents a lower first cost than the 4-shell set but the operating results thus far reported show a higher oil consumption per Mcf. The amount of this difference and the number of hours operations will determine whether this design will prove economical from an over-all viewpoint.

D. 2-shell heavy oil—oil gas set (design B)—There is also a reported design of a 2-shell which has the superheater above the generator—both being in one shell. This design also has the unusual feature of having the heat and make oil burners located in between the generator and superheater—instead of between the two generators as employed in the 4-shell and 2-shell Gas Machinery designs. This design has been in use at Augusta, Ga. for some time but little is known about performance.

E. Other projected designs—All of the above described designs have been built for use by manufactured gas companies and it is possible to secure data on the results. There are several other proposed designs for the production of high Btu oil gas using heavy oil that may be mentioned in passing. These are: Semet-Solvay—3-shell and 2-shell designs. These designs incorporate the regenerative principle of the Hall process, but use the special Semet-Solvay Reactor chamber (or generator) which has no checker brick and also provides for recycling a certain portion of the gas. There is one installation of the Semet-Solvay design at Poughkeepsie for peak shaving on natural gas, which has recently gone into operation and one or two sets have been built for others so that when natural gas arrives the sets can be readily adapted to one or the other of these designs.

Installation

Table I comprises a list of manufactured gas companies that installed or have in the process of installation or on order high Btu heavy oil—oil gas sets to be used to supplement manufactured gas or as 100 percent distribution as high Btu gas or diluted to a lower Btu with air.

In addition, Central Hudson Gas and Electric of Poughkeepsie, N. Y., has recently placed into operation a 3-shell Semet-Solvay heavy oil high Btu oil gas set to be used for peak shaving and stand-

by purposes for natural gas. The Baltimore sets are also now being used for peak shaving on natural gas.

Thus 13 companies will have heavy oil high Btu oil gas sets in operation when present installations have been completed. As will be seen there will be some 21 sets in operation and pretty well divided among the several methods of using heavy oil for the production of high Btu oil gas. Thus in another year the industry will have a rather broad experience in the use of heavy oil high Btu oil gas sets.

While it is too early to properly appraise *operating advantages and disadvantages of the two designs at Cambridge* the following represent some of the observed results to date:

Mechanical Features

(1) *4-Shell*—Generally speaking, there have been no serious mechanical problems on the 4-shell set.

(2) *2-Shell*—The 2-shell set, being new in design, has several features (as might be expected) which have caused trouble:

(a) *Hot Valves*—The most serious problem from safety and continuity of operation has been the two hot valves. These valves are so situated that carbon deposits on the valve seats and in time the valves rise 2" or more off the wedges. Due to the valve location and design it is almost impossible to get at the valve seats to clean them. At present time the operators build a fire, using oil-soaked waste to burn out the carbon, and after six to eight hours burning the valves can be resealed. During the summer period this has not been too serious but would be in the winter months when the company would be losing capacity.

Another feature of the design is that the hot valves on the 2-shell as *now* arranged and operated constitute a hazard—if the valve stem broke on one valve while the other was closed, there would be no pressure relief. There was one instance in another company where an opened valve closed during the shutdown at night and the pressure that built up, from leaking steam, buckled the sheets on the crown. To partly protect against this danger a cable has been run from one valve to the other so *both* cannot be closed at *same time*.

(b) *Arch*—The arch in the cross-over connection between the two shells was rather flat in (Continued on page 62)

TABLE II

CAMBRIDGE, MASSACHUSETTS		
1950		
Hours Operation:	4-Shell	2-Shell
December 1949	29.1	
January 1950	142.1	98.9
February	—	337.0
March	198.1	272.1
April	633.1	—
May	585.5	—
June	465.5	8.2
July	17.9	375.3
August	—	439.6
September	—	212.3
	2071.4	1743.4

	4-SHELL SETS		2-SHELL SET
	Baltimore	Cambridge	Cambridge
Generators			
Ext. Dia.	11'-0"	11'-0" 10'-6"	12'-6"
Int. Dia.	9'-0"	9'-0" 8'-6"	10'-6"
Height	18'-8"	18'-0" 18'-0"	10'-6"
Superheaters			
Ext. Dia.	11'-0"	10'-6"	12'-6"
Int. Dia.	9'-0"	8'-6"	10'-6"
Height	24'-3"	30'-0"	21'-0" (To Arch)
Cross-Over Connection			
Ext. Dia.	48"	48"	10'-6"
Int. Dia.	36"	36"	5'-3" radius
Gen. to Supt. Conn.			
Ext. Dimensions	4'-6" X 5'-0"	7' X 4'-4"	12'-6"
Stack Valve	24"	36"	42"
Reversing Valve Inlet	30"	36"	42"
Washbox			
Diameter	10'-0"	10'-0"	12'-0"
Height	4'-0"	5'-0"	6'-0"
Inlet Conn.	30"	36"	42"
Outlet Conn.	24"	30"	36"
Air Connections			
Superheater	24"	24"	24"
Generators	20"	24"	20"
Steam	8"	10"	10"
Oil Conn.			
No. Checkers	17,000	20,000	24,000

TABLE III

LIGHT OIL HEAVY OIL OPERATIONS

	Cambridge		Cambridge		Other Companies		
	Twin Gen. Back Blast	Twin Gen. No. 2 Sp.	4-Shell Set Aruba	4-Shell Set N.E.	2-Shell N.E.	4-Shell Aruba	2-Shell Set A Aruba B
Sp. Gr. Ranarax " " Shilling	.87						.76 .80
Btu Street Gas	1040	.765	.803	.784	.828		1043 1030
CO ₂	4.3	2.8	6.3	6.0	4.8	4.9	2.4 3.3
III	24.9	24.9	25.9	24.2	25.7	33.2	26.7 25.9
O ₂	1.3	1.6	.6	.9	1.6	.7	.3 .9
CO	1.6	1.8	1.9	1.5	1.2	2.2	.6 .3
CH ₄	38.2	35.4	32.8	33.4	30.5	25.4	42.4 40.4
Ethane	—	—	—	—	—	3.5	—
Propane	—	—	—	—	—	0.3	—
H ₂	15.2	14.9	11.2	14.6	13.6	29.2	17.5 14.6
N ₂	14.5	18.6	21.3	19.4	22.6	15.2	10.1 14.6

TABLE IV

Individual achievement honored at Convention: High point of awards ceremony in Atlantic City was presentation of Distinguished Service Award to Edwin L. Hall (right) by President Hugh H. Cuthrell



Industry honors top achievement

Initiative and achievement had their day in Atlantic City last month. Leaders of the American gas industry, during a special program of awards, showed once again that they are well aware of the importance of the individual in a free industrial society. Gas company officials, employees and company departments were honored in six different fields of endeavor.

Distinguished service award

Edwin L. Hall, director of A. G. A. Laboratories at Cleveland and Los Angeles, and assistant managing director of A. G. A., received the highest honor bestowed by the Association—the A. G. A. Distinguished Service Award—for the most outstanding contribution of any individual toward the advancement of the gas industry. The award comprises a certificate and a substantial cash gift. It has been donated in the past for achievements in engineering, research, contribu-

tions to war efforts and other important benefits to the gas industry.

Mr. Hall was cited for his original contribution in the development of equipment and processes for manufacturing a high btu gas and for his extensive and helpful participation in the work of the Association. While Mr. Hall was coordinator of gas production research under the Association's Promotion, Advertising and Research (PAR) Plan he developed and gave to the industry a new process for manufacturing a gas of high heat content from inexpensive, low-grade oils. Through his process, manufactured gas companies were able to increase production and effect savings of as much as 30 percent in the cost of manufacturing gas at a time when expansion plans of the industry were hampered by shortages of steel and other vital materials.

James S. Moulton, vice-president and executive engineer, Pacific Gas & Electric Co., San Francisco, Calif., was

chairman of the Award Committee which honored Mr. Hall. Other members of the committee were R. L. Fletcher, president, Providence Gas Co., Providence, R. I., and S. B. Irelan, president, Cities Service Gas Co., Oklahoma City, Oklahoma.

Mr. Hall was graduated with a degree of Bachelor of Metallurgical Engineering from Ohio State University in 1924. He later joined The United Gas Improvement Company and from 1936 until 1940 was in charge of the development of a large engineering laboratory for UGI at Chester, Pa. From 1940 to 1945 he was the manager and treasurer of Manchester Gas Company at Manchester, N. H.

He joined A. G. A. in May 1945 as coordinator of gas production research. In August 1947 he was appointed secretary of the general research and Planning Committee under the enlarged PAR program. On November 1, 1947, Mr. Hall was appointed director of A. G. A. Laboratories to succeed R. M.

Conner who resigned because of ill health. In June 1950, Mr. Hall was appointed assistant managing director of A. G. A.

Beal Medal

W. C. Mosteller, assistant to the vice-president, Southern Counties Gas Co. of California, Los Angeles, was singularly honored when he was awarded the Beal Medal. Mr. Mosteller won the award for contributing the best paper presented at an Association meeting during the past year. His paper "Transmission Line Type Storage—Capacity Calculations and Costs," was presented on May 8, 1950 at the Spring Meeting of the A. G. A. Natural Gas Department of A. G. A. at Tulsa, Okla.

The award was presented in behalf of the donor, Ernest R. Acker, president, Central Hudson Gas & Electric Corp., Poughkeepsie, N. Y., representing the family of the late W. R. Beal, who established the award in 1897. It consists of a substantial cash payment

and a bronze medal. D. A. Hulcy, president, Lone Star Gas Co., Dallas, was chairman of the award committee. Other members were George F. Mitchell, president, The Peoples Gas Light & Coke Co., Chicago, and D. P. Hartson, vice-president, Equitable Gas Co., Pittsburgh.

Mr. Mosteller's paper covered methods of calculating costs and capacities in transmission line type of storage of natural gas. With the tremendous growth of the natural gas industry now in effect, this paper made a valuable contribution to the industry's methods of meeting peak load problems.

A graduate of California Institute of Technology, Mr. Mosteller has been engaged in the natural gas business as an employee of Southern Counties Gas Company since December 1935. On December 1, 1947, he was promoted to assistant to Vice-President F. A. Hough, where his duties involve intensive work in load and meter growth, forecasting, and population studies.

Mr. Mosteller has been active in the Association for many years. He has presented several papers before meetings of A. G. A. as well as before Pacific Gas Association.

Meritorious service award

Martin J. Dalton, an employee of The Brooklyn Union Gas Co., received the A. G. A. Meritorious Service Award for the most outstanding life-saving act in the gas industry during the year. The award consists of a gold medal and button, and a certificate of honor. It was made possible by a fund donated by the late Walter R. Addicks, who was a senior vice-president of Consolidated Gas Company of New York (now Consolidated Edison Co. of New York, Inc.).

Mr. Dalton received this high national honor in recognition of his bravery and presence of mind. He was cited for endangering his own life while helping to rescue a fellow-



Prize-winning trio: (Left to right) Distinguished Service Award—Edwin L. Hall, director, A. G. A. Laboratories; Meritorious Service Award—Martin J. Dalton, The Brooklyn Union Gas Co.; Beal Medal—W. C. Mosteller, Southern Counties Gas Co., Los Angeles



Winners and sponsors of Home Service Achievement Awards: (Left to right) Camille Davied, McCall's Magazine; Mary Huck, The Ohio Fuel Gas Co.; Jane Ashby, Council Bluffs Gas Co.; Mrs. Elizabeth Sweeney Herbert, McCall's; Violet Radman, Northern Indiana Public Service Co.; Mildred M. Edner, Minneapolis Gas Co., and Gladys Price (representing Maxine Howe), Southern California Gas Co.

worker who had been buried beneath an avalanche of sliding coke.

House Heating Award

Outstanding achievement in promoting and maintaining consumer demand for gas house heating was honored in the next awards presentation. Five gas utility men were named winners of the fourth annual A. G. A. Gas House Heating Progress Award sponsored by the Coroaire Heater Corporation.

A. G. Bur, sales manager, Wisconsin Public Service Corp., Green Bay, Wis., was awarded first prize of \$500 for development of a sales and promotional program for gas house heating sales to consumer, dealer, architect and builder.

Second prize of \$250 went to Robert H. Lewis, advertising manager, Washington Gas Light Co., Washington, D. C., for an advertising and promotional program to further consumer sales of gas house heating.

E. E. Boegli, industrial gas engineer for South Carolina Electric & Gas Co., Charleston, S. C., was awarded third prize of \$150 for an educational and upgrading program covering gas house heating installations for gas company servicemen, plumbing and heating con-

tractors, and dealers. Last year Mr. Boegli was awarded the second prize in the Gas House Heating Progress Contest.

E. R. Rothert, vice-president, The Cincinnati Gas & Electric Co., and Earl E. Garrison, Oklahoma Natural Gas Co., Tulsa, were awarded fourth and fifth prizes of \$50 each, respectively. Mr. Rothert's award was given for a dealer upgrading program he developed. Mr. Garrison was rewarded for an unusual consumer promotional program in the new home building field.

The jury selecting winners of the Coroaire awards included: E. L. Vervoort, The Brooklyn Union Gas Co., chairman of A. G. A. Gas House Heating Committee, chairman; Harold O. Andrew, editor of *Gas Age* Magazine; Thomas H. Evans, promotion manager, Equitable Gas Co., Pittsburgh, H. Leigh Whitelaw, managing director, Gas Appliance Manufacturers Association.

Home Service Award

Outstanding individual accomplishments in the gas utility home service field were recognized when five winners of the nationwide A. G. A. Home Service Achievement Award sponsored by *McCall's* Magazine were an-

nounced. Cash prizes totaling \$1,000 and bronze plaques were presented to the winners.

These high national honors were awarded to: Mary E. Huck, general home service director, The Ohio Fuel Gas Co., Columbus, Ohio; Mrs. Jane S. Ashby, home service director, Council Bluffs Gas Co., Council Bluffs, Iowa; Maxine V. Howe, home service staff aid, Southern California Gas Co., Los Angeles; Mildred M. Endner, home service advisor, Minneapolis Gas Co.; Violet R. Radman, supervisor in home service, Northern Indiana Public Service Co., South Bend, Indiana.

Each winner received \$200 and a bronze plaque. This was the tenth annual contest, open only to gas utility home service personnel. Awards were made in two divisions to individuals who made effective contributions during the year to the advancement of modern homemaking by promoting the use of gas and modern gas equipment. Judges on the 1950 awards committee were: H. P. Morehouse, Public Service Electric & Gas Co., chairman; R. A. Malony, The Bridgeport Gas Light Co., Bridgeport, Conn.; Ruth Sheldon, Washington Gas Light Co.; Irene L. Muntz, Rochester Gas & Electric Corp., (Continued on page 48)



(Left) Chester L. May, vice-president, Lone Star Gas Co., who accepted Progress Award for Gas Summer Air Conditioning on behalf of his company. The Dallas utility made the greatest contribution of the year to advancement of gas summer air conditioning



President Cuthrell (left) congratulating Gas Heating Progress Award Winners: A. G. Bur, Wisconsin Public Service Co., first prize; Robert H. Lewis, Washington Gas Light Co., second prize; E. E. Boegli, South Carolina Electric & Gas Co., third prize; Carl Westley accepting award for the fourth-prize winner, E. R. Rothert, The Cincinnati Gas & Electric Co.; M. H. North, for the fifth-place winner, Earl E. Garrison, Oklahoma Natural Gas

*Gas company executives urged
to make fuller use of home service staffs*

New fields for home service



Part of the overflow crowd of 550 persons who turned out at A. G. A. Convention for the annual Home Service Breakfast. Speakers showed various ways that home service can help the gas industry to meet its customers on a friendly basis

Never underestimate the power of a woman. Likewise never underestimate the power of home service.

Varying aspects of this double theme were brought out by an array of speakers during the Home Service Breakfast and Home Service Round Table at the 1950 American Gas Association Convention last month.

The gas industry recognizes the power of home service more than any other industry, A. G. A. President Hugh H. Cuthrell told a record audience of 550 persons at the breakfast meeting. Nevertheless, he added, there are still other ways that the industry can use the talents of its home service staffs.

"Home service is one of the most valuable tools that we have," he declared. "It can aid every department in the company. It is a mighty important element to help us meet our customers on a friendly basis."

Irene L. Muntz, Rochester Gas & Electric Corp., chairman, A. G. A. Home Service Committee, presided at both the breakfast and the round-table sessions. Miss Muntz outlined projects included in the Plan of Work during the year. She briefly described the literature at each place setting—the booklet "Stage Settings Illustrated for the Home Service Demonstration" and "Prize-Winning 'CP' Demonstrations." The latter publication contains material from a contest conducted as a major home service activity of the past year in cooperation with the CP Manufacturers Group of Gas Appliance Manufacturers Association. GAMA financed the prizes and printing of the booklet.

Miss Muntz also directed attention to the successful Home Service Workshop sponsored by the A. G. A. Committee. She reminded the delegates that the 1951 Home Service Workshop will

be held January 3-5 at the Hotel Statler in Washington, D. C.

H. Preston Morehouse, chairman, A. G. A. Residential Gas Section, paid tribute to home service achievements. He singled out for particular attention ways in which the Home Service Committee's work has aided the sales program of the Residential Gas Section.

"Just Like a Woman" was the intriguing title used by the guest speaker at the breakfast, Mrs. Bj Kidd, well known author and national award winner for her book of the same title. "Never underestimate the power of a woman," Mrs. Kidd advised. Two traits are linked more closely to women than men, she added. These are intuition and identification. Both should be kept carefully in mind in advertising and business, she said.

"All of you who have ever sold or advertised to women know how it



Round-Table: Isabel McGovern (left), Minneapolis Gas Co.; Louise Winslow, The East Ohio Gas Co.; Irene L. Muntz, chairman, Home Service; Gladys B. Price, Southern California Gas Co.; Mrs. Maxine Livingston, Parent's



Home service round-table: (l. to r.) Susan Mack, Boston Consolidated Gas Co.; Mrs. Eleanor Wiese, Public Service Electric & Gas Co.; Mrs. Arra Sutton Mixer, The Hartford Gas Co.; Louise Anderson, Iowa Power & Light Co.



Talking shop: (Left to right) Ruth B. Soule, The Brooklyn Union Gas Co.; Ruth Severson, The Peoples Natural Gas Co.; Mary Huck, The Ohio Fuel Gas Co.; Mrs. Mary Louise Bohn, Laclede Gas Company

works. Get her to identify herself with whatever you are selling and the sale is made. Use every means to relate it to her personality. Let her see it, try it, handle it, taste it, touch it, run it. Give her intuition leeway to operate. Feed her the spark—and let her leap to her own conclusion. In other words, let her sell herself."

Quarter century club

The year 1950 marks the twenty-fifth anniversary of the A. G. A. Home Service Committee. Consequently, a special ceremony was held during the breakfast program to honor past-chairmen of the committee. The event marked the inauguration for home service of the First Quarter Century Chairmen's Club.

Eleven of the past-chairmen were introduced from the head table. Particular tribute was paid to Ada Bessie Swann, who as home service director, Public Service Electric & Gas Co., Newark, N. J., was instrumental in obtaining early recognition for home service work in American Gas Association. Miss Swann is now with *Woman's Home*

Companion in New York.

Thanks were extended, too, to the home service hostesses who helped to make the breakfast move smoothly. Appreciation was also extended to the CP Manufacturers Group of GAMA for the hostess corsages and the red rose boutonnières at each place.

First speaker at the Round-Table was Isabel McGovern, home service director for Minneapolis Gas Co., and first-prize winner in the recent CP demonstration contest. Her talk, "What Pans Out in Baking?" accented the close relationship between gas ranges and the utensils used with them.

Home service people have watched with great interest the survey conducted by American Home Economics Association in cooperation with American Standards Association on dimensions for baking utensils, she said. From the different sizes offered by ASA, members of the Home Service Committee have selected for use by gas company home service directors those sizes which have widest use in home

service work. This set of 15 utensils and measuring devices which have been offered to the A. G. A. membership through the Promotion Bureau were used by the speaker in a demonstration for club groups.

Home service girls can help new homemakers conserve their time while pointing out the advantages of work-saving, gas equipment, the next speaker remarked. This was one of the numerous points brought out by Mrs. Maxine Livingston, family home editor, *Parents' Magazine*, speaking on "New Homes for New Customers."

Mrs. Livingston is known for the well-publicized expandable homes of *Parents' Magazine*—homes designed by leading architects based on the wants and needs of families with children. Her talk emphasized the importance of the laundry and its location in the home.

"Yes," she concluded, "you girls have the opportunity to help new home owners but you also have the opportunity to prove that gas is the flame of progress." (Continued on page 57)

*Delegates take part in discussions,
profit from exchange of ideas and experiences*

Convention helps accountants

Sometimes it is not possible to try a new plan or a new machine before you actually put it to work. However, if you inquire, you are sure to find some other company with experience that it is willing to share. Usually the problems are similar, regardless of the size of the company or its location.

Accountants at the gas industry's Convention last month were eager to benefit from just such an exchange of ideas and experiences. Delegates flocked to accounting meetings in large numbers, listened intently to the program prepared by Chairman John H. W. Roper and his assistants. Accountants joined in the discussions with great relish.

So diversified was the Section's program that each member could find some-

thing of particular interest. Among the subjects receiving equal consideration were: increasing costs, personnel relations, customer relations, rate making, and taxation.

The agenda was divided into three sessions. First was the Section luncheon meeting in the Rutland Room, Haddon Hall, on Tuesday, October 3. The Customer Activities Group and the General Activities Group met separately in meeting rooms at the Convention Hall on Wednesday morning, October 4.

A capacity crowd of over 225 persons attended the luncheon meeting. Chairman Roper, Washington Gas Light Co., Washington, D. C., presided.

L. E. Reynolds, chairman, Nominating Committee, was unable to attend, and

O. H. Ritenour, Washington Gas Light Co., presented the committee report. Alan A. Cullman, Columbia Engineering Corp., New York, was nominated chairman of the Section for the 1950-51 year. Ralph F. McGlone, The East Ohio Gas Company, Cleveland, was nominated vice-chairman. In a traditional ceremony, an officer from each of the two companies presented a brief speech seconding the nominations. Mr. Cullman and Mr. McGlone were then elected unanimously.

As opening speaker, H. Frank Carey, Long Island Lighting Co., chairman, Property Records Committee, presented a paper, "Advanced Thinking in Plant Accounting."

Why so much interest in just one item of the balance sheet, he asked. The



Changing the guard: John H. W. Roper (left), Washington Gas Light Co., chairman, A. G. A. Accounting Section, conferring with Chairman-Elect Alan A. Cullman, Columbia Engineering Corp.

Checking advance program: (Left to right) R. F. McGlone, Section vice-chairman-elect; B. S. Rodey, Jr., Consolidated Edison Co. of New York; H. H. Scaff, Ebasco Services; A. G. Mitchell, Philadelphia Electric Co.



Part of the capacity crowd of more than 225 persons who attended the Accounting Section's luncheon meeting at the convention



answer, Mr. Carey said, is that this item represents approximately 90 percent of the assets. New fuels and new processes create new elements of obsolescence. He advocated a close control to prevent accounting costs from getting out of hand, and recommended mass units to the extent practical.

Mr. Carey stressed the importance of the work order and insisted that the accountant, not the engineer, should be responsible. He noted that the goal is: (1) to maintain records up to date; (2) to maintain records which can be proved; (3) to provide management with information and reports when desired.

To reach this goal, the speaker recommended routines to produce more exact results and reduce costs.

Eskil I. Bjork, vice-president, The Peoples Gas Light and Coke Co., Chicago, chose the subject, "Wave Lengths," and found a very receptive audience. Mr. Bjork showed that in order to produce an informed cooperative unit there must be effective communication from the president to all employees. Such cooperation can be obtained, he added only if employees (1) want business and their company to be successful; (2) are prepared to furnish best service at competitive prices; (3) are informed and in accord with the aims and objectives of the company.

"Employees don't read," said Mr. Bjork. He cited personal experiences proving that the most carefully prepared booklets often are put away unopened by company employees. He also pointed out that the oral method of communication is best, but that this is not always possible or practicable. The speaker suggested that consideration be given to letters directed to the homes of employees

on subjects of common interest in language which employees and their families can readily understand.

Mr. Bjork recommended the conference method for two-way communication. He pointed out that the "sending station" should have a well-equipped listening device.

Chairman Roper informed the session that he would conserve time by not submitting his report, which was printed and could be obtained by anyone interested. He expressed appreciation to his "All-American Team," the group of chairmen, project chairmen, and individuals who had worked so tirelessly in the interest of the Association.

Mr. Roper called on A. G. Burnett, former chairman of Customer Accounting, who recently accepted the position of assistant to the vice-president in a utility company in Rio de Janeiro. Mr. Burnett expressed his appreciation for the cooperation and assistance given him during his many years in the industry, and particularly during his visits in the last two or three weeks. Mr. Burnett was scheduled to sail for his new assignment on Saturday, October 7.

Mr. Roper then called upon the new chairman, Alan Cullman, who announced the names of committee chairmen for the coming year.

General Accounting Committee

A. B. Dilworth, Northern Natural Gas Co., Omaha, Nebraska

Internal Auditing Committee

Peter J. Buzanga, Consolidated Edison Co. of New York, Inc.

Materials and Supplies Committee

O. G. Peterson, New York State Electric & Gas Corp., Ithaca, New York (Continued on page 32)

(Left to right) O. H. Ritzenour, Washington Gas Light Co.; E. D. Bivens, Columbia Engineering Corp.; S. M. Crocker, president, The Columbia Gas System; L. V. Watkins, Panhandle Eastern Pipe Line Company



H. Frank Carey (left), chairman, Property Records; Alan A. Cullman, new Section chairman; Eskil I. Bjork, vice-president, The Peoples Gas Light & Coke Co.



General Accounting Activities Group meeting on Wednesday, October 4: (L. to R.) Frank Denier, Arthur Andersen & Co.; B. S. Rodey, Jr., coordinator; A. B. Dilworth, Northern Natural Gas Co.; O. G. Peterson, New York State Electric & Gas Co.; L. Glen Wisely, chairman, Materials and Supplies



Customer Activities: G. E. Curtis (left), chairman, Customer Accounting; C. L. Havener, Consolidated Edison; E. R. Eberle, coordinator; H. C. Smith, The Peoples Gas Light & Coke Co.; W. S. Frick, chairman Customer Relations; O. B. Cook, chairman, Customer Collections



Hands across the sea: Section Chairman Roper (center) with A. G. Burnett (left) and A. R. G. Ament, Brazilian Traction, Light and Power Co., Ltd.



Harland C. Stockwell (left), executive secretary, The Civic Federation of Chicago, discussing General Activities program with H. W. Ziethen, chairman, A. G. A. Taxation Accounting Committee



Eastern delegation taking time out between Convention accounting sessions: (Left to right) D. H. Cruikshank and J. J. Donohue, Westchester Lighting Co.; J. F. Arnold, Lancaster County Gas Co.; John DeLong, Consumers Gas



Checking accounting developments: (Left to right) M. F. Monahan, The Brooklyn Union Gas Co.; Oscar Schaefer, The Philadelphia Gas Works; E. N. Keller, Philadelphia Electric Co.

Property Records Committee
H. George Eilers, The Cincinnati
Gas and Electric Company

Taxation Accounting Committee
R. M. Dodds, Ebasco Services Inc.,
New York

Customer Accounting Committee
L. R. Quad, Public Service Electric
and Gas Co., Newark, New Jersey

Customer Collections Committee
H. S. Hahn, The Ohio Fuel Gas Co.,
Columbus, Ohio

Customer Relations Committee
C. L. DiGiovanni, Laclede Gas Co.,
St. Louis, Missouri

project committee headed by Thomas
Fowler, Alabama Power Co., this ma-
terial was based on replies to a question-
naire designed to develop ways of using
spare time of customer contact employees.

Mr. Curtis said that we are not able to
schedule customer calls so that there is
an even flow all day long. As a result,
there are peaks and valleys, he said. If
we are manned for the peak, there is idle
waiting time. This is bad for the em-
ployee concerned because it creates a
monotonous day. The fellow employee
in another department resents the idle
time; the customer, calling at an off-peak
time, carries away a poor impression.

Collection Committee headed by O. B.
Cook, Battle Creek Gas Co., Battle
Creek, Michigan.

The speaker took to task those who
depend upon the disconnect notice as
a collection medium. He pointed out the
ill will which is engendered by this type
of collection action. As an alternative,
he advocated collection interviews at the
homes of the customers, to explain the
company's requirements on payment of
bills.

While he admitted that companies
could not expect 100 percent results from
this type of appeal, he said they would be
surprised how many customers would
cooperate. This is not mere theory, Mr.
Havener said, but has been tested. He
advocated the use of high-type, well-
trained representatives for the interview
work, and recommended that each com-
pany test a limited number of accounts.

The speaker also questioned whether
the problem is being attacked at the
proper point "How many companies are
explaining their collection policy to the
new customer at the time the application
is made?" he asked.

Project Chairman H. C. Smith, The
Peoples Gas Light and Coke Co., pre-
sented a paper for the Customer Relations
Committee under the chairmanship of
Walter S. Frick, The East Ohio Gas
Company. This paper was prepared in
two parts, with the titles, "Should We
Charge Customers for Services at Their
Homes?" and "What Do We Find
When We Go from Manufactured to
Natural Gas?" Mr. Smith confined his
remarks to a presentation of the answers
to a questionnaire sent to 75 gas com-
panies.

The cost of doing work on customers'
premises is an ever-increasing item, and
there is considerable variance among the
companies reporting. Mr. Smith said that
a review of the printed paper will enable
the accountant to compare his company's
policy with that of others in the industry.

The speaker reviewed the methods
and results obtained by those companies
answering the questionnaire that had
converted to natural gas. This paper
should be of particular interest to any
company contemplating a change, he
stated, as the reporting companies say
the change can be made without any ad-
verse reaction on the part of the cus-
tomer. Mr. Smith then explained how
his company changed to a therm bill-
ing basis instead of the hundred-cubic-
foot basis. (Continued on page 67)



Conferring between accounting sessions: (Left to right) J. F. Brennan, Philadelphia
Electric Co.; C. J. Ryan, G. O. Frost and Everett Swanson, Minneapolis Gas Company

Accounting Employee Relations Com-
mittee

W. D. Sweetman, The Peoples Gas
Light and Coke Co., Chicago
N. W. Wade (vice-chairman),
Memphis Light, Gas and Water
Division

The Customer Activities Group met
on Wednesday morning, October 4, with
Coordinator E. R. Eberle, Public Service
Electric and Gas Co., presiding. Mr.
Eberle noted that the primary purpose of
the meeting was the exchange of ideas.
He pointed out that if two men meet and
exchange a dollar, they are no richer or
poorer. On the other hand, if they ex-
change ideas, where there was only one,
now each has two ideas.

George E. Curtis, Boston Consolidated
Gas Co., chairman of the Customer Ac-
counting Committee, presented a paper,
"Weigh Your Waits." Prepared by a

As an indication of interest in this
subject, 57 of 69 companies returned the
questionnaire.

The speaker suggested one plan which
was based on a job classification suffi-
ciently broad so that the activities of any
particular group would not be too closely
limited. He said that the customer con-
tact employees are assigned on a mini-
mum basis which is augmented, as
needed, from a pool. New employees are
assigned to the pool and are gradually
trained in all phases of the work.

Mr. Curtis suggested that copies of
the report be obtained and studied, as it
contains the experience of many com-
panies in the utilization of spare time.

C. L. Havener, Consolidated Edison
Co. of New York, Inc., the new cus-
tomer activities group coordinator, pre-
sented a paper, "A Collection Policy
Your Customer Will Buy." This contri-
bution was prepared by the Customer

*Industrial and commercial men
advised to join concerted drive for sales*

Roll up your sleeves and fight

With natural gas becoming an essential tool in more and more processes, what steps is the gas industry taking to bolster its industrial and commercial loads? A number of thought provoking ideas on this subject were supplied last month at the Association's annual convention during a special luncheon and afternoon meeting sponsored by the Industrial and Commercial Gas Section. Additional ammunition was provided during a meeting with the Residential Gas Section.

More than 200 guests attended the Section's luncheon on October 3 to hear Joseph Bowes, president, Oklahoma Natural Gas Co., discuss "Factors Affecting the Location of Industry." Mr. Bowes showed how the advent of oil and gas has attracted many diversified industries to the state.

"The factors that affect the location of industry are well known," he declared, "though the order of their importance is as changing as the nature of the industries to which they apply. Certainly raw materials can be placed at or very near the top. Included in the raw materials is natural gas, which is also a production material and being recognized as one to an increasing extent. Ordinarily we think of minerals and their by-products as raw materials, but we must not overlook the fact that agricultural products, fibers, furs, hides and the products of the forest are basic to some very worthwhile industries."

Industrial fuel and power are high on the list of factors affecting the location of industry, Mr. Bowes asserted. "Contrary to widespread opinion, cost is not the most important consideration. Dependability of supply and long term reserves are far more vital. In Oklahoma, we are fortunate in that we have natural gas, coal, oil and electricity available. Quite often an abundance of coal and oil strengthens the case for natural gas. An alternate supply of fuel guarantees that the price of gas will remain competitive.

"The fact that natural gas is not alone a fuel but is actually a tool in some manufacturing operations also should not be overlooked. Natural gas, because of its dependability, ease of application and control, is becoming one of the essential tools in some heat

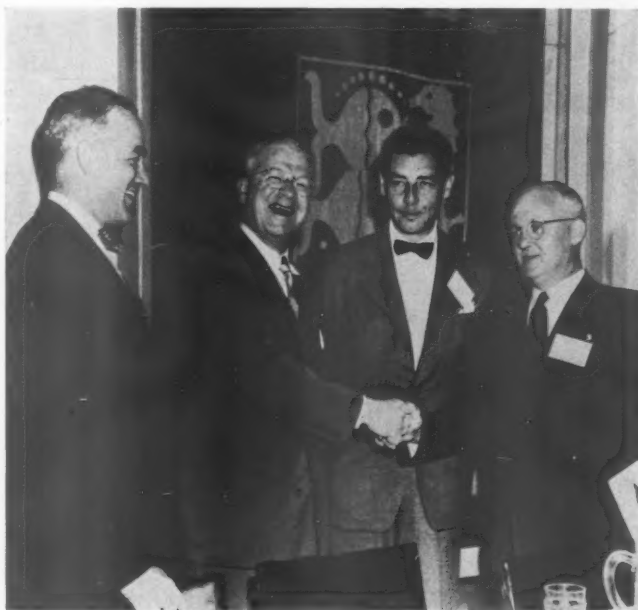
treating processes, doing jobs that cannot be done economically nor conveniently with other fuels."

Vice-chairman of the Section, Carl H. Lekberg, Northern Indiana Public Service Co., presided over the Section's annual meeting in the afternoon. Opening the meeting, he read the report of Chairman D. W. Reeves, Oklahoma Natural Gas Co., summarizing committee and subcommittee activities throughout the past year.

"Who Is Winning the Commercial Fight?" This provocative title was the subject of an address prepared by John J. Bourke, director, A. G. A. Commercial Cooking Promotion. As Mr. Bourke has been recalled to active duty with the Air Force, his remarks were read in his absence by Leon Ourusoff, Washington Gas Light Co., Washington, D. C.

Mr. Bourke's paper was a comprehensive discussion of electric competition in the volume cooking field. He bolstered this outline with accounts of action taken by member companies to meet the new situation. This action has produced several favorable results, Mr. Bourke showed, including the fact that gas kitchens have received a high percentage of major awards in the recent food service contest sponsored by *Institutions Magazine*.

Reports from commercial gas men throughout the country show that satisfactory progress is being made under the Chain Contact Program, Mr.



Time out from business: B. T. Franck (second from left), chairman, Nominating Committee, congratulates Carl H. Lekberg, chairman-elect of the Section, as Ronald A. Malony (left), vice-chairman-elect, and Leon Ourusoff, chairman pro tem of the business meeting, watch



Convention speakers: Joseph Bowes (left), president, Oklahoma Natural Gas; F. O. Hess, president, Selas Corp. of America



Franklin T. Rainey (left), vice-president, East Tennessee Natural Gas Co., discussing joint session with J. E. Coleman, The Manufacturers Light & Heat Company

Bourke noted. More and more commercial gas men are periodically calling on headquarters of chain organizations.

"The time is surely at hand," Mr. Bourke concluded, "to roll up our sleeves and join together in a concerted fight. It's time to stop this movement into a field that has every right to belong to the gas industry since gas can perform every commercial cooking job better and more economically."

On the industrial phase, Frederic O. Hess, president, Selas Corp. of America, Philadelphia, discussed "Equipment Performance and Fuel Cost in Our Economy." His paper compared the speed and cost of industrial gas process heating to various types of induction heating. Figures and charts graphically illustrated the superior advantages of gas fuel. Pointing to electric competition, Mr. Hess declared:

"First, we might direct our attention towards the effective promotional work by the electrical industry, of controllability, flexibility, automatic operation and the glamour of the push button. Gas can claim the same features of control and flexibility. We also have automatic operation, and we use push buttons, but the gas industry has not sold these features equally effectively.

"Secondly, we might seriously ponder the matter of familiarity and education. For one fuel or combustion engineer, industry has at least ten electrical engineers. That is quite an influential dominator of 'equipment

performance' because—strange as it may seem—these electrical engineers are human to the extent that they prefer to work in their field of familiarity—even if they have to make quite a few allowances such as disregarding cost of fuel, equipment, etc."

"We have to uplift gas as a heating medium," he declared. "We have to offset the propaganda and the familiarity of the electrical engineer, who is part of every single manufacturing plant. We have to offset the price-conscious purchasing agent by selling heat processing, end product, quality and cost instead of Btu by the cubic foot, therm or gallon. We have to promote and practice extensive and long-range research and development. We have to upgrade industrial gas within our own ranks before our customer will do likewise. Most of all we must emphasize performance; we must learn and study performance obtainable with gas as a heating process medium, instead of trying to stress low cost of gas on cubic foot basis or a Btu basis."

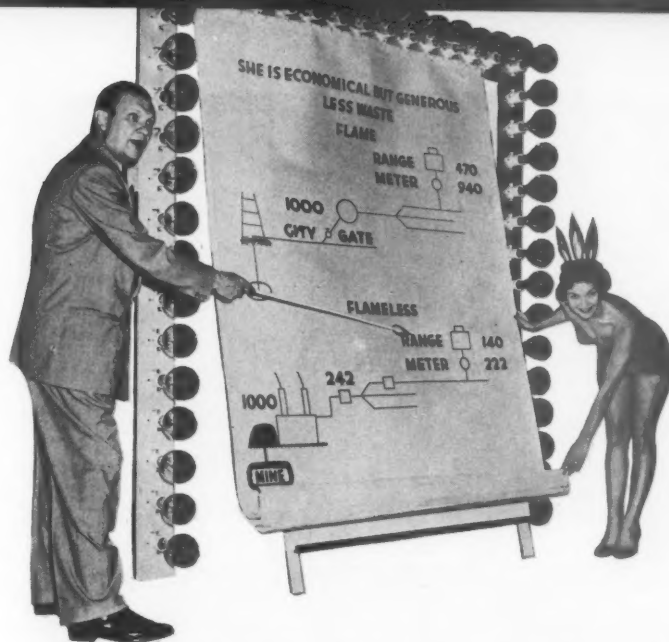
The session was concluded after a short business meeting when Carl H. Lekberg, Northern Indiana Public Service Co., and Ronald A. Malony, executive vice-president, The Bridgeport Gas Light Co., Bridgeport, Conn., were elected chairman and vice-chairman of the Section, respectively.

Two dramatic presentations were presented by the Industrial and Commercial Gas Section during the joint



Speakers' table at Industrial & Commercial Gas luncheon: (Left to right) Harold Massey, GAMA; Frederic O. Hess, GAMA president-elect; D. A. Hulcy, A. G. A. president-elect; Joseph Bowes, president, Oklahoma Natural Gas Co.; Carl H. Lekberg, Section chairman-elect; Hugh H. Cuthrell, A. G. A. president; Frank C. Smith, president, Houston Natural Gas Corp.; H. Leigh White-law, GAMA; E. J. Horton, Robertshaw-Fulton Controls Co.; J. W. West, Jr., A. G. A.; Leon Ourusoff, Washington Gas Light Co.

F. A. Kaiser, vice-president, Detroit-Michigan Stove Co., and Mrs. Flame demonstrating the advantages of modern gas cooking during skit at joint session



meeting on the morning of October 4. First of these was a fast-moving sketch, "Mr. Flameless and Mrs. Flame," presented by Fred A. Kaiser, vice-president, Detroit-Michigan Stove Co., Detroit. Designed to refute charges by competitors, the demonstration emphasized the speed, controllability and other advantages of gas. Whistling tea kettles and pressure cookers proved valuable props in demonstrating the superiority of gas cooking. Introductory remarks for the skit were delivered by Leon Ourusoff, Washington Gas Light Company.

Second feature presented by the Industrial and Commercial Gas Section was a showing of Texas Gas Trans-

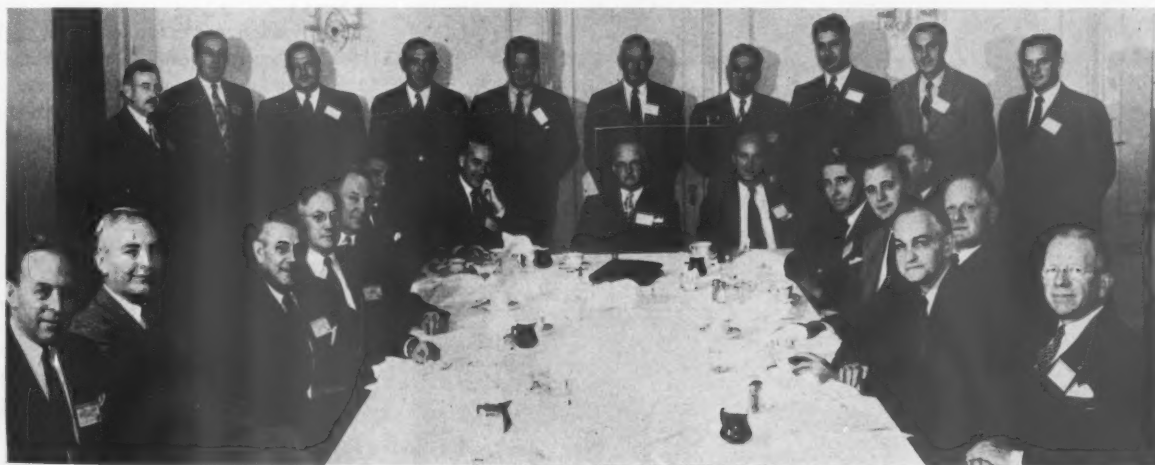
mission Corporation's pipeline development film, "Natural for Industry." F. T. Rainey, vice-president, East Tennessee Natural Gas Co., Knoxville, Tenn., introduced the film.

"... the growth and welfare of your community can be greatly influenced," he stated, "by the availability and price of natural gas, and especially by an aggressive sales effort of your own industrial organization, in order that you may not only retain your existing industrial business, but also to secure additional industries for your community."

"The benefit of this objective directly increases your industrial revenues and indirectly, through better

economic conditions of your community, increases the sale of gas and appliances to your domestic and commercial markets. The opportunity for success in this field should not be lost sight of in the program of decentralization of large industries that is taking place today. Many small communities that have a good natural gas service can be considered as good potential locations for securing new industries."

According to custom, the Section was represented by a speaker at one of the convention general sessions. James F. Oates, Jr., chairman, The Peoples Gas Light & Coke Co., Chicago, discussed the problem of balancing peak and off-season loads.



Meeting of incoming and outgoing Managing Committee of the Industrial & Commercial Gas Section: (Clockwise around table) C. C. Eeles, E. V. Fineran, F. T. Rainey, D. A. Campbell, R. L. French, Leon Ourusoff, R. A. Malony, C. H. Lekberg, M. A. Combs, H. A. Sutton (partially hidden), H. B. Wilson, F. C. Neuls, W. S. Anderson, H. O. Andrew, F. T. Brooks; (standing) R. E. Crane, A. M. Stock, J. H. Mikula, H. A. Clark, W. D. Relyea, P. W. Craig, E. V. K. Schutt, W. V. Bell, Terry Hart, Lee Corn

Board of strategy:
E. G. Campbell (left),
retiring chairman of
the Section, discussing
program with Chair-
man-Elect R. Van Vliet



A. V. Brashear (left),
Michigan Consoli-
dated Gas Co.; H.
Bruce Andersen, Sec-
tion vice-chairman-
elect; G. K. Bachmann,
chairman, Subcommit-
tee on Meters and
Metering; F. J. Hall,
chairman, Distribution



(Left to right) John
L. Turnan, chairman,
Subcommittee on Use
and Handling of LP-
Gases; C. P. Warner,
Concord Gas; B. C. Hol-
man, Minneapolis Gas

R. E. Adwers (left),
Ernest M. Peterson,
Northern Natural Gas
Co.; J. K. Telford, Cit-
izens Gas Fuel Co.;
Ray L. Harrison, vice-
president, Northern
Natural Gas Company



Problems one subject also

How can the gas industry help to conserve the nation's steel supply? What part would the coke oven play in event of war? What steps can individual utilities take to assure their customers of adequate and uninterrupted supplies of gas?

These and a score of other basic questions were tackled by operating men of the gas industry in Atlantic City last month. Growing importance of natural gas operations headed the agenda for the Section's three Convention sessions. Apparent throughout the discussions, however, was a clear awareness of changing conditions in "a world divided." Speakers on subjects ranging from distribution to corrosion control brought their audience up-to-date on the latest technological advances in gas production, distribution and research.

Retiring Chairman E. G. Campbell, The Peoples Gas Light & Coke Co., Chicago, opened the Tuesday afternoon session with a brief review of the past year.

At the final meeting on Thursday afternoon, members of the Operating Section selected officers for the coming year. Rutherford Van Vliet, New York and Richmond Gas Co., Stapleton, Staten Island, N. Y., was elected chairman, and H. Bruce Andersen, vice-president in charge of distribution, The Philadelphia Gas Works Co., vice-chairman.

Opening event on Tuesday was a twin feature discussion of automotive problems. J. L. Coyne, Rochester Gas & Electric Corp., chairman, Motor Vehicles Committee, appealed for a doubled and redoubled effort to reduce automotive accidents. The need for swift action is indicated, he said, by the fact that at least one of every five personal injury accidents in the United States occurs on the highways.

Carrying this theme still further, Professor Amos E. Neyhart, Pennsylvania

s new era top t a convention

State College, State College, Pa., noted that over 30,000 people will be killed on American highways this year. If not reduced soon, this "staggering economic loss" could seriously hamper the national preparedness drive, he declared.

Professor Neyhart advised utilities to send their executives to top management conferences for fleet executives. Another helpful move, the speaker added, is to arrange for the fleet supervisor to attend driver training courses at state centers throughout the country. His third suggestion was for the inauguration of a minimum driver training program. This would include a specific plan for physical examination of old and new drivers as well as an incentive plan to arouse and hold driver interest.

In the house heating field, both gas customers and their utility have benefitted from a novel plan introduced in Philadelphia. C. S. Hazel, The Philadelphia Gas Works Co., told how his company has sold its customers on keeping their house heater pilots lighted the year round. The plan has proved successful in at least three ways, Mr. Hazel declared: First, customer relations have not been affected over the most trying season of the year; second, service visits have been reduced, and third, gas heating equipment has been kept in better condition.

Large volume gas measurement, next subject on the agenda, was discussed by J. E. Overbeck, Columbia Engineering Corp., Columbus, Ohio. His remarks were limited to measurements generally encountered at operating metering pressures under approximately 500 psig.

Three factors are helpful in studying characteristics and conditions of flow to be metered, he said. These are: (1) maximum peak hourly rate, including the duration and uniformity of such peaks; (2) minimum hourly rate, including duration and uniformity, and



Myron W. Ryder (left), Ello E. Richardson, both Cambridge Gas Light Co.



R. L. Bevan (left), John Inglis Co., T. F. Loughry, Surface Combustion Corp.



Meeting of the clan: Louis Beamer, (left), C. K. Svoboda, and Glenn M. Hammond, Michigan Consolidated Gas Company



Lillian Weber (left), A. G. A.; C. C. Jones, The Philadelphia Gas Works Co.; P. F. Marks, Dresser Mfg.; R. A. Erickson, Ebasco Services; F. H. Bunnell, Consumers Power Co.; W. B. Cosdon, Ebasco Services; F. J. Pluke, Rochester Gas & Electric Corp.; H. E. White, The Bridgeport Gas Light Co.; G. M. Hammond, Michigan Consolidated Gas Co.; L. B. Wilson, Jr., Consolidated Gas Electric Light & Power Co. in Baltimore; W. T. Ivey, Southern Natural Gas Co.; C. J. Crabill, Lowell Gas Co.; Peter Cantline, Jr., Central Hudson Gas & Electric Corp.

(3) metering gauge pressure, taking into account pressures available, as well as pressure variations.

Mr. Overbeck's discussion concentrated on methods and practices which have been found successful in actual practice. He outlined characteristics of the orifice meter and the displacement type meter (diaphragm type or impeller type) which to date have been found the most practical for accurately measuring natural gas.

Accomplishments of the Purging Committee were reviewed by the next speaker, Jesse S. Yeaw, Rochester Gas & Electric Corp., committee vice-chairman. The group is winding up its work on a general handbook on purging, Mr. Yeaw said. When completed, the handbook is expected to be a complete glossary of experience and advice which the purging engineer will want at his fingertips.

"There remain but a few loose ends to gather up and the volume will be completed," he declared. "Many of the sections have gone through their third revision . . . each section has received its full share of attention."

Final event on the Tuesday program was a talk on galvanic corrosion by A. B. Lauderbaugh, The Manufacturers Light and Heat Co., Pittsburgh. Mr. Lauderbaugh's "primer" consisted of a series of colored slides developed by the corrosion department of his company. For more than two years, these slides have been used as part of an employee education plan throughout the Pittsburgh Group companies of The Columbia Gas System, Inc.

In many cases, galvanic cells can be avoided by proper design and construction of pipelines, the speaker remarked. In other cases where galvanic cells are unavoidable or are already built in, they can be counteracted, he said, by special treatments. These include either use of pipe coatings having electrical insulating value, use of impressed currents (cathodic protection), or installation of expendable anodes (galvanic protection).

"If you ignore these galvanic currents, they will continue to destroy your vital underground highways for the transportation of gas," Mr. Lauderbaugh stated. "If you follow the advice of your corrosion engineer, galvanic currents can be put to work for your benefit."

According to competent estimates, oil and gas lines in the United States suffer more than one-half billion dollars worth of corrosion damage each year. This

startling fact was headlined in the report of the Corrosion Committee which was delivered by the vice-chairman, Pat H. Miller, Texas Eastern Transmission Corp., Shreveport, Louisiana.

Prepared by Chairman Sidney E. Trouard, New Orleans Public Service Inc., the report noted that much of this huge waste can be eliminated by proper design and maintenance of planned corrosion control programs.

"Aside from economic considerations, there certainly exists here a challenge to the patriotism of the gas industry to conserve the steel supply of the nation," the report stated.

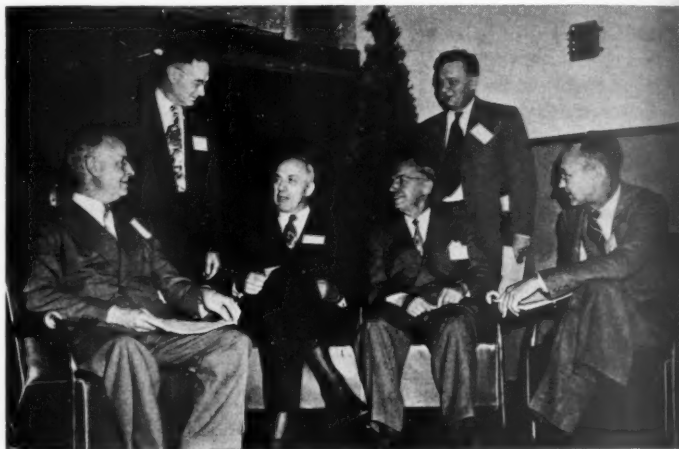
Management's attitude toward a corrosion control program was discussed by the following speaker, Baxter Wilson, vice-president, Mississippi Power and Light Co., Jackson, Mississippi.

is well satisfied with their corrosion control program from the standpoint of both results and costs, Mr. Wilson continued. "In the event of another total war mobilization, we will be better able to maintain our system with necessarily reduced personnel and, at the same time, will be conserving material and fuel."

A series of interesting experiments on gases for supplementing natural gas were outlined by the next speaker, E. C. Brenner, vice-president, Milwaukee Gas Light Company. Mr. Brenner described demonstrations in a special utilization laboratory to show extent which substitute gases are interchangeable with 1,010 Btu natural gas of 0.685 specific gravity.

These demonstrations developed the following conclusions, he said:

(1) Propane-air gas, oil gas or coke



(Seated, left to right) R. Lee Davis, F. T. Parks, vice-president, Public Service Co. of Colorado; Roy T. Richards, Central Arizona Light & Power Co.; R. H. Taylor, Public Service Co. of Colorado; (standing) W. L. Thackrey, president, Colorado-Wyoming Gas Co.; B. T. MacCannon, Public Service Co. of Colorado

"It is important to note," he remarked, "that as our corrosion control program has developed, the cost of applying protection to gas mains has steadily decreased even though general construction and operating costs are on the increase."

Mr. Wilson added that on new systems his company has been able to reduce the total installation costs of protection to as low as \$53 per mile of three-inch equivalent main. On future new work, where provisions for cathodic protection are included at the time of construction, the company hopes to reduce installation costs to \$50 or less per mile of three-inch equivalent main protected, or about one percent of the construction cost, he said.

Mississippi Power and Light Company

oven gas as standby cannot be used as 100 percent interchangeable for natural gas.

(2) Any one, or a combination of these gases, may be added to natural gas in the limiting percentages indicated to augment the city's gas supply in the event of a partial pipeline failure.

(3) The mixture of 11 percent LP-gas vapor, 30 percent oil gas, 34 percent coke oven gas and 25 percent natural gas, which corresponds to Milwaukee Gas Light Company's maximum existing and contemplated production and storage facilities, has a semi-tolerable useability. This mixture may be used safely in the event of a complete failure of natural gas supply.

H. R. Batchelder,¹ U. S. Bureau of Mines, described the operation of a seven-foot-diameter Kerpely producer with blast containing from 21 to 98 percent oxygen. R. G. Dressler,¹ R. F. Tenney,¹ R. E. Kruger² and R. D. Segur³ were co-authors of the paper which discussed tests performed by the Bureau of Mines at Louisiana, Missouri. The Association's Gas Production Research Committee cooperated in this work under the A. G. A. PAR Plan.

"No inherent difficulty to satisfactory routine operation with any oxygen concentration, or any of the fuels used was encountered," the authors reported. "The raw materials requirements per Mcf of CO + H₂ or per therm appear to be slightly lower in this operation than those achieved previously."

Three major problems which have

subject were well covered during a panel discussion at the spring Distribution conference.

A third basic topic studied by the committee this year is safety and job training of employees. This subject deserves the same serious attention that is given to job planning and selection of equipment and tools, Mr. Hall declared.

Importance of selling the story of natural gas to service department personnel before a changeover was forcefully illustrated in the next address. R. H. Bussard, Washington Gas Light Co., Washington, D. C., vice-chairman, Subcommittee on Work on Consumers' Premises, presented information based on a questionnaire among companies that have changed over, on published articles, and on experience in Washington, D. C.

He noted that "Practically all com-

The speaker referred gas men interested in changeover to the recent A. G. A. publication, "Bibliography on Changeover from Manufactured to Natural Gas, 1928-April 1950." This bibliography, available from Association library without charge, lists 139 articles which have appeared in A. G. A. and other association publications, trade journals, etc.

Report of the Nominating Committee was presented on Thursday by Chairman W. R. Fraser, Michigan Consolidated Gas Company. Following the election of Section officers, W. Reed Morris, Koppers Co., Inc., New York, N. Y., discussed the part that will be played by coke ovens in the preparedness drive and in event of a major war.

He estimated that 100 million or more tons of coal are carbonized each year. This operation results in the production



C. S. Hazel (left), The Philadelphia Gas Works; John Overbeck, Columbia Engineering Corp.; A. B. Lauderbaugh, The Manufacturers Light & Heat Co.; J. L. Coyne, chairman, Motor Vehicles; Prof. A. E. Neyhart; J. S. Yeaw, vice-chairman, Purging Committee



Pat H. Miller (left), vice-chairman, Corrosion; H. R. Batchelder, Bureau of Mines; E. C. Brenner, vice-president, Milwaukee Gas Light Co.; Baxter Wilson, vice-president, Mississippi Power & Light Co.; R. H. Bussard, vice-chairman, Consumers' Premises Subcommittee

been tackled by the Distribution Committee were highlighted in that group's report. Chairman F. J. Hall, Michigan Consolidated Gas Co., noted that the answer to constantly increasing labor costs lies partly in developing higher efficiency and in the introduction of new and modernized equipment. Another major task facing large segments of the industry, he added, is the introduction of natural gas into manufactured gas distribution systems. Various aspects of this

panies when preparing for a changeover instituted a pre-conversion program for service department employees. This consisted of studying the behavior of natural gas; emphasizing the characteristics of satisfactory natural gas flame; training in the technique of converting appliances, and studying appliances and installations which require special attention."

An immediate increase in customer service requests can be expected in converted areas, Mr. Bussard remarked. As the conversion progresses, however, men performing that conversion become more skilled, procedures are improved, efficiency of the conversion increases. Thus service requests begin to fall.

of at least a trillion cubic feet of gas, only a small percentage of which goes into domestic or home use. Thus there is available, Mr. Morris declared, "a tremendous reserve of gas production which in time can and may be shifted from industrial to more lucrative domestic market."

He forecast that for the predictable future all coke ovens in the United States will be operated at a maximum capacity.

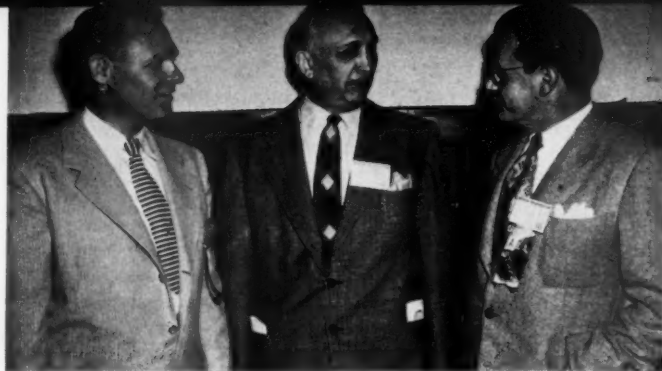
The Gas Production Committee concentrated this year on gathering and making available information on successful gas conversions. Particular attention was paid to the small plant operator.

Chairman J. P. Stephens, The Cincinnati Gas & (Continued on page 66)

¹ Coal to Oil Demonstration Branch, Office of Synthetic Liquid Fuels, Bureau of Mines, Louisiana, Missouri.

² Rochester Gas and Electric Corp., Rochester, N. Y., representing American Gas Association.

³ Koppers Co., Inc., Pittsburgh.



Architects of the A. G. A. "formula for sales": (Left to right) H. Vinton Potter, coordinator of promotion; Frank C. Smith, chairman, General Promotional Planning Committee, and C. E. Hall, assistant coordinator, A. G. A.



Speakers at the joint session: (Left to right) G. A. Saas, Indianapolis, who stressed "thirteenth doughnut" service; Dr. J. L. Rosenstein, Loyola University

Salesman-ship key to progress

Gas should be first in style, service, enthusiasm

The "gold coast" of good salesmanship was thoroughly explored at two meetings of the Residential Gas Section during the annual convention in Atlantic City, October 2-5. A rich vein of pay dirt can be tapped, speakers pointed out, if the gas industry will support nationwide coordinated sales programs and increase its trained sales manpower.

Opening the first meeting on Tuesday afternoon, H. P. Morehouse, chairman of the Section, and assistant sales manager, Public Service Electric and Gas Co., paid tribute to the effectiveness of long-range sales planning instituted by the Section. As a result of such planning, he noted, promotional activities of utilities, manufacturers, dealers, and distributors have been integrated to an unprecedented extent. This integration, combined with the flow of sales tools provided by A. G. A., "has been responsible in no small measure for the excellent gas sales record." We will do even better in the months ahead, Mr. Morehouse pledged.

Carl H. Horne, vice-president, Alabama Gas Corp., Birmingham, was elected chairman to direct the compre-



Gas dryers provide "opportunity unlimited" according to this panel of experts: (L. to r.) C. H. Rippe, Hamilton Manufacturing Co.; Irene Muntz, chairman, Home Service; F. M. Foster, Southern California Gas Co.

hensive Residential Gas Section sales program in 1950-51. New vice-chairman is W. J. Schmidt, vice-president, Long Island Lighting Co., Mineola.

Despite uncertainties created by the defense mobilization program, nationwide A. G. A. promotional programs will be continued on all fronts, Frank C. Smith, chairman, A. G. A. General Promotional Planning Committee, told the sales executives. "The worst mistake we could make would be to be caught with no sales plans at all," Mr. Smith declared.

He reminded the group that the electric industry has thousands of newly trained salesmen, 100,000 specialty appliance outlets and 20,000 plumbing and heating dealers. This advantage at the point of sale must be overcome, he said.

Mr. Smith, who is president of Houston Natural Gas Corp., said that any slackening in the amount of advertising and promotion would be disastrous for the gas industry. "We can see what happened to many an old-time trademark when promotion was stopped," he added.

Five ways for utilities to follow



Big Six utility winners: (l. to r.) W. C. Dahlman, Houston Natural Gas Corp.; H. Pollan, The Peoples Gas Light & Coke Co.; J. Youk, Southern Union Gas Co.; W. Paul Jones, president, Servel; Jack Frost, The Brooklyn Union Gas Co.; F. S. Thomas (representing J. W. McBurney) Manufacturers Light & Heat Co.; J. F. Topping, Peoples Water and Gas Co.

▼ Election winners: Carl H. Horne (left) and W. J. Schmidt, new Residential Gas Section officers for 1950-51 term



Promotion headliners: (Left to right) K. B. Lucas; J. J. Quinn, chairman, National Advertising; R. R. Suttle, managing director, Southern Gas Association



through on A. G. A. promotional and advertising activities were outlined by Mr. Smith as follows:

(1) Pursue good service and promote good appliances. Worn-out ranges are ineffective soldiers in the battle of fuels. Manufacturers must be encouraged to use push-button gadgets that appeal to the housewife seeking modernity on ranges.

(2) Be the leading coordinating and promotional influence in your community. Be "out front" in style, service and enthusiasm.

(3) Recognize the importance of dealers in the sale of gas ranges. Non-utility gas appliance dealers sell 85 percent of gas ranges, 73 percent of gas refrigerators, 90 percent of gas water heaters.

(4) Maintain advertising and publicity effort. Keep contacts alive even if you or dealers do not have merchandise to sell.

(5) Go after the new home market. Encourage the manufacturer to work directly with the dealer if necessary.

H. Vinton Potter, A. G. A. coordinator

of promotion, aided by Clifford E. Hall, assistant coordinator, then outlined what's ahead in A. G. A. promotional programs for the coming year.

With clever showmanship and a series of lively demonstrations, they alternated in proving to "Mrs. America," who was seated on the stage, that gas is superior for every domestic use. The advantages of every gas appliance—incinerators, water heaters, house heating and air conditioning units, laundry dryers, refrigerators and ranges—were forcefully presented in the order of their appearance on A. G. A. promotional calendar.

Following the A. G. A. "formula for sales," W. Paul Jones, president, Servel, Inc., directed the national sales spotlight to the utility winners of the "Big Six" gas refrigerator sales contest sponsored by Servel and A. G. A. Special "American Way" trophies were presented to the six gas companies having the greatest number of retail installations per 1,000 domestic meters. Top utility refrigerator salesmen in the contest were introduced. Winners in the contest for distributors, dealers and their (Continued on page 54)



Section leaders: H. P. Morehouse (left) and C. H. Lekberg, who presided at the joint Residential and Industrial session

Dealer panel tells sales approaches:
(Left to right) Harry B. Price, Jr.,
Norfolk, Va.; Harold L. Frankel, Hunt-
ington, and Herb Names, Denver

Dealers check sales techniques



Gas appliance dealers and distributors from all sections of the country were honored Thursday, October 5, in an extensive "Dealer Day" program during the A. G. A. convention. A. G. A., GAMA, National Association of Master Plumbers, and National Association of Radio and Appliance Dealers, jointly sponsored a series of special events. Included were "How to Do It" addresses by dealers, awards for outstanding selling efforts and free-for-all discussions. Special features at the exposition, door prizes, and a gala evening entertainment program were also provided.

Ammunition for greater gas appliance sales was offered in the informative afternoon meeting led by Herb Names of Denver, Colorado. Opening speaker was President-Elect D. A. Hulcy of A. G. A. on the topic "Operation Teamwork." Pointing to the rapid growth of the gas industry, Mr. Hulcy said the

number of customers had increased three million in the past four-year period.

"Three-quarters of a million new customers each year to buy our gas service and our appliances makes an attractive proposition and an excellent basis for teamwork," he declared. A truly major market for additional gas-appliance sales exists also in the replacement of old appliances owned by many of the twenty odd million customers with gas service, Mr. Hulcy added.

Citing the record sales of gas appliances since World War II, Mr. Hulcy said the independent dealer has been an indispensable factor in these sales. Another factor, he brought out, has been the substantial support the gas industry has given the appliance dealer through the PAR Plan.

Mr. Hulcy, who is president of Lone Star Gas Co., Dallas, described his company's dealer assistance program. "The foundation of our program is the definite

policy, clearly enunciated and uniformly understood, that the company will do all it can within the realm of good business practice to contribute to the success of independent gas appliance dealers.

"To implement this policy," Mr. Hulcy continued, "the dealer assistance work must be carried out by capable men who devote their full time to the program and carry the work forward so that it does not ever become a minor adjunct of our program of direct merchandising. The direct administration of this program is entirely separate from the administration of other phases of our work."

A panel of three dealers, each with an outstanding sales record, gave valuable information on their most successful sales techniques. Leading off the forum which was entitled "The Sale's the Thing," Harry B. Price, Jr., of Price's Inc., (Continued on page 68)



D. A. Strickland, United Gas Corp., telling dealers to "cash in" on greater merchandising profit from gas range sales



Nation's top gas water heater salesman, D. A. Bell, Denver, is crowned king of the "Court of Flame" by R. Louis Towne, chairman, Sales Promotion Committee, GAMA Water Heater Division. Supporting cast includes Mrs. America, pages, GAMA members

Industry news

Insurance men convene at A.G.A. convention

TWO of the country's leading authorities on direct damage and liability insurance headed the agenda at a new type of meeting during the American Gas Association convention last month.

Sponsored by the A. G. A. Insurance Committee, John W. Marrin, Commonwealth Services, Inc., chairman, the meeting was designed specifically for executives who, while responsible for the insurance policies of their companies, are not specialists in the field. Question-and-answer and discussion periods were emphasized.

Walter Dietzel, assistant superintendent, public utilities department, National Fire Insurance Co. of Hartford, addressed the group on "Direct Damage Insurance." A second talk,

by Robert Shipman, casualty department, Alexander and Alexander Inc., "If It's Impossible, Watch the Other Fellow Do It," reviewed types of liability insurance of interest to the gas utility industry.

Mr. Dietzel commented on the development and almost universal acceptance of the new standard policy developed in 1943 which has eliminated much of the customer's worry about the "fine print." He showed the need for careful selection of an insurance representative. You should choose someone, he advised, who by skill and experience can carefully analyze the direct property insurance requirements of his clients and provide the appropriate coverage in sound companies. Of particular importance is the effect of the almost continuous rise in the cost of plant, materials and services on proper insurance protection.

Mr. Dietzel pointed out the advantages of blanket fire coverage, subject to 90 percent co-insurance and without a pro rata distribution clause (where this choice is available) as compared with a specific property policy with 80 percent co-insurance. With few exceptions, blanket coverage follows the risk since it does not refer to any specific location of the property other than the corporate limits of the State.

Of particular interest to gas utilities is the assurance that they are adequately protected against explosion hazards. The speaker pointed out that such protection can be secured in two ways. First is through the "Inherent Explosion Clause" by which the insured is covered against explosions on his own property due to hazards inherent in the business. Second is through the much broader coverage afforded by

the "Extended Coverage Endorsement." This endorsement is not restricted to hazards inherent in the insured's business and provides coverage when the explosion originates on or off his premises. It can be obtained as a special adjunct to the standard policy.

Mr. Dietzel commented also on war damage insurance which was made available by the government during World War II using the facilities of the insurance industry. He expressed the opinion that "War Damage Insurance will likely again be made available as soon as Congress acts on the bills already proposed. When it does, we suspect that machinery similar to that used during World War II will be set up . . . many utility companies bought War Damage Insurance principally on special properties that could, if seriously damaged, greatly curtail or disrupt service."

The speaker's remarks concerning the increasing size, capacity and value of compressor stations should be of direct interest to pipeline operators. To the extent practical, he said, "it may be found worth while to hold the number of compressors under one roof to a reasonable number. By so doing, you will limit your interruption of service possibilities and give your insurance representative a better chance to make your insurance program easier to handle. When the key risk is of exceptionally high value, a more extensive market is required for the coverage."

(Mr. Shipman's discussion of casualty and liability coverage available to the gas industry will be reviewed at greater length in the December issue of A. G. A. MONTHLY.)

A.G.A. elects 1951 nominating committee

HUDSON W. REED, president, The Philadelphia Gas Works Co., Philadelphia, has been elected chairman of the 1951 General Nominating Committee of American Gas Association. Mr. Reed was elected during the Executive Session of the Thirty-Second Annual A. G. A. Convention on October 3, 1950, in Atlantic City, New Jersey.

Other members of the new General Nominating Committee are: C. H. Gueffroy, presi-

dent, Portland Gas & Coke Co., Portland, Ore.; George S. Hawley, president, The Bridgeport Gas Light Co., Bridgeport, Conn.; E. C. Overbeck, president, The Ohio Fuel Gas Co., Columbus, Ohio; J. A. Robertshaw, president, Robertshaw-Fulton Controls Co., Greensburg, Pa., and Gardiner Symonds, president, Tennessee Gas Transmission Co., Houston, Texas.

The General Nominating Committee will submit to the managing director of A. G. A.,

at least four months before the 1951 annual meeting of the Association, recommendations for chairmen and vice-chairmen it has received from the Nominating Committees of the different Sections and of the Publicity and Advertising Committee. It will also submit its own recommendations for the election of a president, two vice-presidents and a treasurer to serve for one year, and a slate of directors for two-year terms of office.

Profit and loss at the exhibition

● Overheard at the 1950 gas appliance exhibition in Atlantic City:

Gas company sales manager: "This show's the greatest opportunity the gas industry has ever had for getting the right people together to talk appliances and problems. Why it would even convince some of the electric boys that gas is modern. Trouble is that we haven't even scratched the surface—we still come to look and not to learn."

Gas company engineer: "There's a company with a wonderful story to tell about a new product. But their representatives spent so much time talking gossip I had to dig out the facts myself."

Gas company salesman: "Far as I'm concerned your appliance is just what my company needs. But my sales manager is the one who makes the decisions. He isn't here."

Manufacturer: "In heaven's name, what do we have to do to get him here!"

Second manufacturer: "Sure, financially we did fine, sold lots of appliances. But when you consider that a million dollars worth of time and effort went into this exhibition, shouldn't the industry give us more man-time per exhibit?"

Utilization engineer: "Here under one roof is the chance of a lifetime—it's the greatest display of advanced thinking the gas industry has ever seen. Why aren't we making fuller use of it? I thought that there would be more dealers at this affair. Another thing we need is to have more utility men from down the line—the boys who get out and meet the customers."

Maybe you heard similar comments in the exhibit area. Maybe you are convinced that the 1950 exhibition was supported by the gas industry 100 percent.

Whether you are an accountant, an engineer, a sales manager, or a president, the gas appliance exhibit offered something that you could take home to your job. Perhaps it was only a clearer awareness that gas is modern, fast and clean. Perhaps it was a new approach that would increase your sales.

Ask yourself these questions: What did I learn in Atlantic City? What can I do with that information? How many men from my company actually came to Atlantic City, saw and studied this show? Could I, could my company have profited more from this exhibit?

Ask yourself this question, too: Do I sincerely feel that gas appliances are superior to electric?

If the answer to that last one is not a resounding "yes, gas is best! Gas Has Got It!" then you missed the chance of a lifetime in Atlantic City. Brother, you're in the wrong industry!

New accounting compendium published

ITS TITLE is "1950 Compendium Report," but it could just as well be called "Ready reference, 1936-48."

Newly published and now available to the industry, this latest accounting publication is the result of approximately 18 months of hard work. Its contents include 485 brief reviews of all reports, papers and major speeches (1936-48) presented before the Association's Accounting Section at spring conferences and A. G. A. conventions. Also covered for the period are Accounting Section articles in the A. G. A. MONTHLY.

"1950 Compendium Report" was prepared by a committee appointed by L. E. Reynolds, Section chairman in 1948-49. This group continued on the job under John H. W.

Roper's administration the following year. R. F. McGlone, The East Ohio Gas Co., Cleveland, is chairman of the committee. In addition, the following men have served on the group: J. F. Farley, F. J. Labanca, C. H. Mann, J. T. McKay, L. R. Michelsen, T. H. Million, J. F. Preish, H. F. Quad, L. J. Rauh, E. L. Stack, J. A. Williams, F. J. Porter, Jr., H. F. Carey, A. V. Schwartz, E. K. Schneider and R. F. Carney.

Purpose of the report is to provide ready reference for accountants, committee members and others on the wealth of information disseminated as the result of committee work. It is well indexed, and many of the reviews are cross referenced in more than one section. It places a veritable gold mine of information at the

fingertips of Accounting Section members.

One complimentary copy has been mailed to the chief accounting officer of each member company. However, heavy demand is expected for extra copies. The complete papers, etc., that are reviewed in the report appear in either the annual AGA PROCEEDINGS, Joint AGA-EEI Conference Proceedings or the AGA MONTHLY. Should any company not have a complete file of these publications, any desired copies of specific material are available from AGA Headquarters. If they are out of print, photostatic copies of the originals will be made at cost.

Copies of "1950 Compendium Report" are available from American Gas Association at \$1.00 each.

A.G.A. departments name managing committees

MANAGING COMMITTEES which will direct activities of the Association's Natural Gas and Manufactured Gas Departments were elected during a special joint session at the A. G. A. Convention last month.

C. E. Bennett, president, The Manufacturers Light & Heat Co., Pittsburgh, is chairman of the Managing Committee for the Natural Gas Department. Other members are:

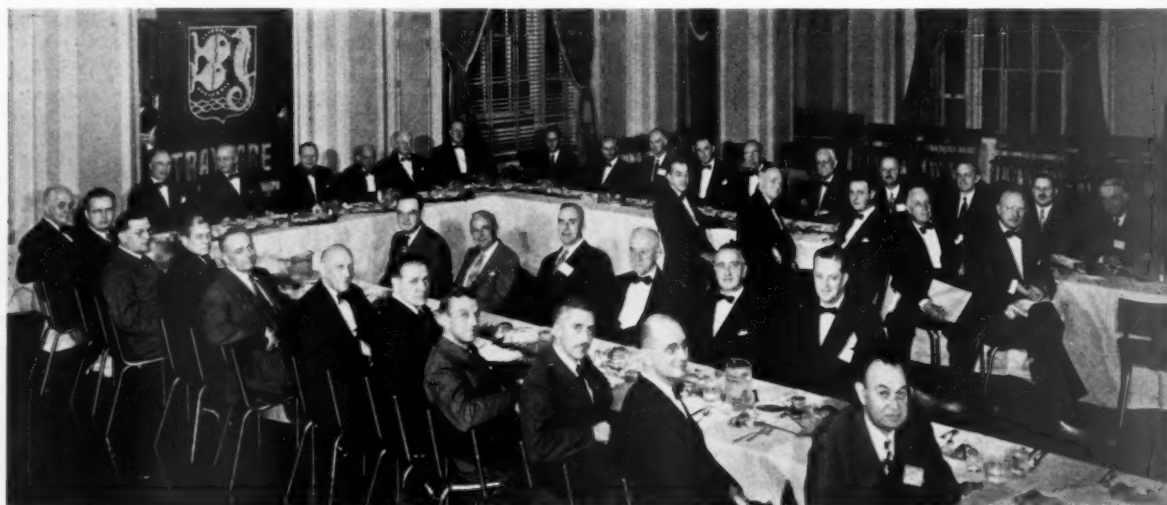
Joseph Bowes, president, Oklahoma Natural Gas Co., Tulsa; A. F. Bridge, president and general manager, Southern Counties Gas Co., Los Angeles; J. J. Hedrick, president, Natural Gas Pipeline Co. of America, Chicago; E. Buddrus, president, Panhandle Eastern Pipe Line Co., Kansas City, Mo.; Paul Kayser, president, El Paso Natural Gas Co., Houston, Texas; F. H. Lerch, Jr., president, Consolidated Natural Gas Co., New York; E. P. Noppel, vice-president, Ebasco Services, Inc., New York; F. T. Parks, vice-president of gas operations, Public Service Co. of Colorado,

Denver; C. P. Rather, president, Southern Natural Gas Co., Birmingham; E. L. Rawlins, Union Producing Co., Shreveport, La.; Gardiner Symonds, president, Tennessee Gas Transmission Co., Houston; Paul R. Taylor, vice-president, Consolidated Electric and Gas Co., New York; A. H. Weyland, vice-president and general manager, Arkansas Natural Gas Corp., Shreveport, La.; C. H. Zachry, president, Southern Union Gas Co., Dallas.

George F. Mitchell, president, The Peoples Gas Light and Coke Co., Chicago, will serve as chairman of the Managing Committee of the Manufactured Gas Department. Other members of the committee are:

E. G. Boyer, Philadelphia Electric Co., Philadelphia; Stuart Cooper, president, Delaware Power & Light Co., Wilmington; E. W. Doeblor, vice-president and general operations manager, Long Island Lighting Co., Mineola, N. Y.; Leo H. East, vice-president, Rochester Gas & Electric Corp., Rochester; John A.

Frick, president, Allentown-Bethlehem Gas Co., Allentown, Pa.; N. Henry Gellert, president, Seattle Gas Co., Seattle; H. Hansell Hillier, president, South Atlantic Gas Co., Savannah; Ansel B. Huyck, The Brooklyn Union Gas Co., Brooklyn; T. J. Kelly, Northern Indiana Public Service Co., Fort Wayne, Ind.; Ronald A. Malony, vice-president, The Bridgeport Gas Light Co., Bridgeport, Conn.; Karl B. Nagler, vice-president, The Peoples Gas Light & Coke Co., Chicago; Robert H. Philipps, Jr., Public Service Electric & Gas Co., Newark, N. J.; John V. G. Postles, vice-president in charge of production, The Philadelphia Gas Works Co., Philadelphia; R. J. Rutherford, president, Worcester Gas Light Co., Worcester, Mass.; E. J. Tucker, vice-president and general manager, The Consumers' Gas Co. of Toronto, Toronto, Ontario; John H. Wolfe, vice-president, Consolidated Gas Electric Light & Power Co. of Baltimore.



Managing and Advisory Committees of A. G. A. Natural Gas Department meeting in Atlantic City on October 2. Highlights included appointment of E. F. Schmidt, vice-president, Lone Star Gas Co., as chairman of program committee for the Natural Gas Spring Meeting on May 7 and 8, and presentation of Technical and Research Committee's report

Companies cited for accident reductions

THIRTY-SIX COMPANIES in the natural and manufactured gas fields were cited last month for cutting their accident frequency and severity rates by 25 percent or more. The 25 percent reduction was the opening goal in an accident prevention drive opened last year by Robert W. Hendee, then president of American Gas Association.

Each of the 36 companies which reached or exceeded the goal was awarded an engraved certificate for its accomplishment. Presentation of these awards was made during an impressive ceremony last month during the first gas industry safety conference in Washington, D. C. W. F. Brown, chairman, A. G. A. Subcommittee on Awards and former chairman, A. G. A. Accident Prevention Committee, presented the awards.

In addition, letters of commendation were sent to presidents of the 36 companies by Hugh H. Cuthrell, 1949-50 president of A. G. A. He noted that the effectiveness of the drive was reflected in statistics for 1949 appearing in the A. G. A. publication,

"Accident Experience of the Gas Utility Industry, 1949." This publication shows that the accident frequency rate in one year dropped 10.1 percent to 17.92 in 1949. The severity rate dropped 10.8 percent to 0.99, and the number of fatalities fell from 34 to 31 in 1949.

"The greatest reduction in frequency rate occurred in the manufactured and mixed gas division," Mr. Cuthrell added, "while the reduction in the severity rate was attributable to the natural gas division."

"These results are most encouraging," he said. "However, the accident rates for the gas industry are still far too high."

The following companies were cited for cutting their accident frequency and severity rates by 25 percent or more in 1949:

Manufactured gas—Consolidated Gas Electric Light and Power Co. of Baltimore, Philadelphia Electric Co., Boston Consolidated Gas Co., Citizens Gas and Coke Utility, Niagara Mohawk Power Corp., Blackstone Valley Gas and Electric Co., Kings County Lighting Co., Florida Power and Light Co., South Carolina

Electric and Gas Co., Delaware Power and Light Co., Terre Haute Gas Corp., The Danbury & Bethel Gas & Electric Light Co., Manchester Gas Co., and The Greenwich Gas Company.

Natural gas—The Peoples Natural Gas Co., The Manufacturers Light and Heat Co., Washington Gas Light Co., Atlanta Gas Light Co., Natural Gas Pipe Line Co. of America, Public Service Co. of Colorado, United Gas Corp., Public Service Co. of Northern Illinois, Illinois Power Co., Pittsburgh and West Virginia Gas Co., United Natural Gas Co., Carnegie Natural Gas Co., Nashville Gas and Heating Co., Southern Indiana Gas and Electric Co., Mobile Gas Service Corp., Arkansas Western Gas Co., The Montana Power Co., Michigan Gas Storage Co., Houston Pipe Line Co., Apollo Gas Co., Missouri Gas & Electric Service Co., and City Utilities of Springfield.

W. H. Adams, The Manufacturers Light and Heat Co., Pittsburgh, is current chairman of the A. G. A. Accident Prevention Committee.

GAMA installs new officers and chairmen

PROMINENT industry leaders were formally inducted as new officers of Gas Appliance Manufacturers Association during American Gas Association's 1950 Convention last month. The following officers will direct GAMA activities from October 1950 to October 1951, serving a national membership of more than 580 manufacturers of gas appliances and equipment:

President—Frederic O. Hess, president, Selas Corp. of America, Philadelphia; **first vice president**—Louis Ruthenburg, chairman of the board, Servel, Inc., Evansville, Ind.; **second vice president**—A. B. Ritzenhaller, vice president, Tappan Stove Co., Mansfield, Ohio; **treasurer**—Lyle C. Harvey, president, Bryant Heater Division, Affiliated Gas Equipment, Inc., Cleveland; **secretary**—H. Leigh Whitelaw, New York.

Chairmen of the various GAMA divisions

and groups were installed as follows:

Controls and Related Accessories Division—J. F. Ray, General Controls Co., Glendale, Calif.; **Direct Heating Equipment Division**—F. Donald Hart, Temco, Inc., Nashville, Tenn.; **Domestic Gas Range Division**—Walter F. Muhlbach, Florence Stove Co., Gardner, Mass.; **Gas Clothes Dryer Division**—C. H. Rippe, Hamilton Manufacturing Co., Two Rivers, Wis.; **"CP" Manufacturers Group**—Henry Honer, Western Stove Co., Inc., Culver City, Calif.; **Gas Meter & Regulator Division**—A. J. Kerr, Rockwell Manufacturing Co., Pittsburgh; **House Heating and Air Conditioning Equipment Division**—Harry Gurney, Surface Combustion Corp., Toledo, Ohio; **Gas Boiler Group**—J. N. Crawford, Affiliated Gas Equipment, Inc., Cleveland; **Gas Conversion Burner Group**—F. A. Furlong, Autogas Co., Chicago.

Gas Floor Furnace Group—R. O. Montrief, Ward Heater Co., Los Angeles; **Gas Furnace Group**—H. M. Brundage, Automatic Heating Division, General Electric Co., Bloomfield, N. J.; **Gas Refrigerator Division**—Louis Ruthenburg, Servel, Inc., Evansville, Ind.; **Gas Incinerator Division**—J. W. Hebert, Calculator Division, Valley Welding & Boiler Co., Bay City, Mich.; **Gas Valve Division**—C. S. Stuckenholt, The W. J. Schoenberger Co., Cleveland; **Gas Water Heater Division**—A. F. Cassidy, Rheem Manufacturing Co., New York; **Hotel, Restaurant and Commercial Gas Equipment Division**—E. J. Horton, Robertshaw Thermostat Division, Robertshaw-Fulton Controls Co., Youngwood, Pa.; **Industrial Gas Equipment Division**—Donald A. Campbell, Bryant Industrial Division, Affiliated Gas Equipment, Inc., Cleveland.

Color pictures aid interchangeability study

USE of color photography is a promising method for showing gas company management and operating personnel the probable effects of new gases on their own and their customer's operations.

This fact was illustrated dramatically on October 18 at an overflow meeting of Metropolitan House Heating and Air Conditioning Council at American Gas Association Headquarters in New York. Robin D. McNeice, engineer of utilization, Public Service Electric & Gas Co., Newark, N. J., used 250 striking color pictures of gas flames to show what takes place when 525 Btu mixed gas is substituted for 525 Btu carburetted water gas. In addition to its own members, the Council invited to the meeting numerous service, distribution and operating personnel from member companies of the group.

Use of two projectors enabled Mr. McNeice

to superimpose pictures of burner flames showing the original adjustment gas and its flames. Then, in succession, he showed what takes place when various substitute gases are supplied to the same burner with and without adjustment. The impact of this visual presentation made many factors in interchangeability far more vivid and realistic.

Mr. McNeice covered a number of appliances. These ranged from the simplest Bunsen burners to complex glass fires, which are generally considered to be the most critical burners involved in changeover problems. He also had pictures showing various domestic types of equipment, but these indicated that less difficulty would be encountered in that field than in the highly specialized field of industrial gas burners.

Mr. McNeice's objective was in part to determine the limits of substitution which

could be tolerated in the territory served by his company without excessive appliance readjustment and with a gas of the same heating value. Therefore, various limiting ratios such as hydrogen to inerts and fast to slow burner constituents were established. The mixed gas used was comprised of reformed natural gas enriched with straight natural gas and what he termed "air jet gas," a natural gas diluted with a little air. He emphasized that the concentration of methane in the final gas was responsible for limiting the degree of substitution without readjustment.

Apart from the technical significance of Mr. McNeice's presentation, the brilliant color photography has furnished the industry with a fine set of flame pictures. Both the burner and the flame are sharply etched against a dark background and are bright and attractive.

Industry honors gas refrigeration winners

THE COUNTRY'S top gas refrigerator salesmen and representatives of companies that did the best selling job on gas refrigerators in 1950 were honored at the Association's convention last month.

Winners in the "Big Six" gas refrigerator sales contest headed on October 6 for a victory vacation trip to Miami Beach and Puerto Rico as guests of Servel, Inc., Evansville, Indiana. Sponsored by the Gas Refrigeration Committee of the A. G. A. Residential Gas Section, the contest ran from April 1 to September 10. Awards donated by Servel were presented for monthly, quarterly and annual best performance winners.

Special "American way" trophies were presented during the convention to six gas company winners. These companies had the greatest number of retail installations of gas refrigerators per 1,000 domestic meters during the six months of the contest. W. Paul Jones, president of Servel, made the presentations during the A. G. A. Residential Gas Section meeting on October 3.

Winning gas companies in six regions were: The Brooklyn Union Gas Co.; The Manufacturers Light & Heat Co., Waynesburg, Pa.; Peoples Water & Gas Co., Fort Lauderdale, Fla.; The Peoples Gas Light & Coke Co., Chicago; Houston Natural Gas Corp., Beeville, Texas, and Southern Union Gas Co., Carlsbad, New Mexico.

Hand-carved mahogany eagles were also presented to the distributor in each of the six regions with the highest percentage of gas refrigerator shipments against annual quotas. Another eagle trophy went to Gas Appliances, Inc., Los Angeles, as a special award for best all-around performance of any distributor in 1950.

John K. Knighton, general sales manager of Servel, presented the trophies at the Convention Dealer Meeting on October 5. Winning distributors were: S. F. Louchheim, Inc., Philadelphia, Pa.; Van Zandt Supply Co., Huntington, W. Va.; Union Appliances, Inc., Independence, Kan.; Chicago Servel Sales Branch; Russom Gas Appliances, Fort Worth, Texas; American Furniture Co., El Paso, Texas; Gas Appliances, Inc., Los Angeles.

Six retail salesmen throughout the country who had the largest number of retail installations of gas refrigerators during the contest received vacation trips to Puerto Rico. This competition was on a national basis, without respect to regions.

Retail salesmen winners were: first—L. K. Ward, Gas Appliance Center, Los Angeles; second—Clarence E. Harlow, Harlow's Appli-



Representatives of winning distributors in Servel "Big Six" gas refrigeration contest receiving hand-carved mahogany eagle trophies: (Left to right) H. A. Doull, Philadelphia; Virgil Traylor, El Paso, Texas; F. N. Havens, Independence, Kan.; C. K. S. Russom, Fort Worth, Texas; J. K. Knighton, Servel, presenting awards; J. G. Tannehill, Los Angeles; E. A. Strassburger, Chicago; Lee Davis, Huntington

ance Store, Loma Linda, Calif.; third—Jack Fisher, Jack Fisher, Inc., Charleston, W. Va.; fourth—George Bitinis, Southern Union Gas Co., Port Arthur, Texas; fifth—William F. Czuleger, Redondo Trading Post, Redondo Beach, Calif., and sixth—Michael N. Barbours, Michigan Consolidated Gas Co., Detroit.

After the national winners had been determined among all retail salesmen, vacation trips were awarded to the remaining retail salesmen in each region. The following winners had the higher numbers of retail installations of gas refrigerators during the contest:

Harry A. Alward, Boston Consolidated Gas Co., Boston; Carryl H. Pugh, The Ohio Fuel Gas Co., Columbus; H. M. Dixon, Gas Appliance Sales and Service Co., Kansas City, Mo.; Theodore P. Karcher, The Peoples Gas Light & Coke Co., Chicago; tie between C. L. Byers, Southern Union Gas Co., Galveston, Texas, and Jack Barnett, Dobyns-Lantz Hardware Co.; John J. Cox, B. & C Household Mart, Compton, California.

Leading distributor salesman in each region also received a trip to Puerto Rico. Winners were determined on the basis of retail installations of gas refrigerators by dealers served by the distributor salesmen.

Winning distributor salesmen were: C. M. Swan, S. F. Louchheim, Inc., Philadelphia; O. K. Griffith, Hamburg Brothers, Pittsburgh; Morton E. Braden, Aufford-Kelley Co., Miami,

Fla.; R. L. Robertson, Cook's Appliances, Inc., Minneapolis, Minn.; Stan Dunski, Hales-Mullay Co., Oklahoma City; John G. Tannehill, Gas Appliances, Inc., Los Angeles.

One outstanding gas refrigerator dealer from each region received a vacation trip to Puerto Rico. Selection was based on all-around best performance in the advertising, promotion and sale of gas refrigerators.

Winning dealers were: Natural Gas Co. of New Jersey, Hammonton, N. J.; C & G Appliance Co., Parkersburg, W. Va.; Jett's, Inc., Lexington, Ky.; Union Appliance Mart, Chicago; Flato's Nueces Hardware Co., Corpus Christi, Texas; Westervelt Peoples Furniture Co., San Bernardino, California.

Puerto Rico trips were also awarded to three apartment house salesmen. Winners had the greatest number of gas refrigerator installations in multiple housing projects during the contest: first winner—Hamilton King, Atlanta Gas Light Co., Atlanta, Ga.; second—Robert Eldredge, The Brooklyn Union Gas Co.; third—William H. Denison, Michigan Consolidated Gas Co., Detroit.

In the national competition among companies in the apartment house classification, The Peoples Gas Light & Coke Company was the winner. The company had the greatest number of gas refrigerator installations in apartments and other multiple housing projects during the six months of the contest.

Central Hudson marks first half century

PROGRESS made in the past 50 years was dramatized in September 1950 by Central Hudson Gas & Electric Corp., Poughkeepsie, New York. A thousand employees, dressed in costumes of the early 1900's, gave the fiftieth anniversary celebration the spirit of Mardi Gras.

Climax of the celebration came when costumed employees drove to Newburgh town on tandems and in horse-drawn rigs. There, surrounded by street scenes of half a century ago, they danced to tunes of an earlier age.

Today finds the giant 68-company system serving 96,500 electric and 36,200 gas customers in a 2,500-square-mile area of the Mid-Hudson Valley. Some \$34 million is being expended to meet heavy demands for gas and electricity. Natural gas, from the Southwest is now flowing through the company's lines after the first crossing of the Hudson of its type.

Ernest R. Acker, current president of the corporation, past-president of American Gas Association and first chairman of the PAR

Committee, played a prominent role in the anniversary celebration. Accomplishments of Mr. Acker and four other principal officers of the company are noted in a special anniversary booklet "50 Years is the Beginning." Also appearing in the booklet is an early advertisement for gas.

"Marriageable men, seeking wives, prefer good cooks," the advertisement states. "Teach your daughter to cook with gas! The rest is much easier."

Home service committee maps plan of work

YEARLY MEETING of the Association's Home Service Committee was held in Atlantic City on October 2. Vivian L. Marshall, home service director, New Orleans Public Service Inc., chairman-elect, presided.

Included among the 26 persons present were gas industry representatives, home service members of six Residential Gas Section committees, chairmen of regional home service groups and manufacturer members.

Plan of work for the new year includes sponsorship of an A. G. A. Home Service Workshop and completion of a booklet on home service aims and organization. The group plans also to work on two projects—a study of broiler and laundry promotion material; and cooperation with Residential Gas committees on which home service is represented.



(Clockwise around table) Mary Ryan, Mary Huck, Mrs. Florence Neely, Elizabeth Lynahan, Mrs. Eleanor Wiese, Isabel McGovern, Mrs. Mary Louise Bohn, Betty Jane Frahm, Jessie McQueen, Vivian Marshall, chairman-elect; Mrs. Elyse Van Dyke, Mrs. Mary Hall, Mrs. Kathryn Johnson, Mrs. Lucy Eklund, Eleanor Morrison, Mrs. Lyda Flanders, Ruth Sheldon, Margaret Doughty, Mildred Clark, Irene Muntz, Lucy Hanan. Present but not shown: C. H. Horne, F. M. Rosenkrans, Gladys Price, Mrs. Winifred Anderson

Annual report award

CITIZENS UTILITIES CO., Greenwich, Conn., has received an annual report citation from *Forbes Magazine of Business* for publishing during 1950 one of the 15 highly rated annual reports.

From among hundreds of reports scored by the magazine, the 1949 annual report of Citizens Utilities Company was rated sixth best in the nation on the basis of presentation, financial data and general information to the stockholders. It was also the highest-rated report of a utility company.

Happy birthday!

THE occasion was the first anniversary of the dealer relations program of The Consumers' Gas Co. of Toronto, Toronto, Ontario. Needed—a new and effective approach to celebrate the event. Result—each cooperating dealer received a piece of genuine birthday cake.

"Mr. Gas Appliance Dealer," the enclosed notice stated, "we want you to share in our first anniversary celebration."

Operation of the program is directed by George M. Douglas, superintendent of the sales promotion department.

Hough named pipeline flow chairman



F. A. Hough (seated, fifth from left), Southern Counties Gas Co., has been elected chairman, A. G. A. Subcommittee on Pipeline Flow Investigation, succeeding C. H. M. Burnham, Panhandle, Eastern Pipe Line Co., chairman of this Natural Gas Department research group since initiation of the project three years ago. The group is shown during its October meeting. The project is a PAR Plan activity

It's Round-Up time in Brooklyn



"Range boss" Hugh H. Cuthrell, vice-president, The Brooklyn Union Gas Co., and retiring president of American Gas Association, opening the company's tie-in with the A. G. A. Old Stove Round Up by roping in a pair of beauties from the Wild West Rodeo in New York City. Round Up is a PAR activity

"Underground highway"

TEXAS Gas Transmission Corporation has announced that its new motion picture, "Underground Highway" is now available for showing before school groups, clubs and other organizations.

The 24-minute color movie, made by RKO Pathe, is the story of the growth of America's "Big River Region," an area extending from Arkansas and Mississippi in the south to Kentucky and Indiana in the north. It describes Texas Gas' new \$73,500,000 natural gas pipeline project and the efforts made to bring an increasing amount of natural gas to the Big River Region.

The film contains a series of sequences that portray for the first time the specific application of natural gas to mass production, precision operations.

Prints of the film will be made available without charge, except for shipping costs, by writing to Texas Gas Transmission Corporation in Owensboro, Kentucky.

Achievement awards

(Continued from page 26)

and Eleanor Morrison, Michigan Consolidated Gas Company.

Miss Huck won in the division which includes heads of home service departments of three or more individuals. She was cited for a traveling food institute with the goal of cementing good relations with the public and with participating dealers.

Mrs. Jane Ashby, was given the award in Division B, which was confined to home service departments of three or less members. She was cited for an effective promotion on the broiler to employee, club and newcomer groups.

Awards for individual members of home service departments were presented to: Maxine Howe, for a comparative fuel demonstration developed for employee and dealer sales personnel; to Mildred Endner on the basis of a range promotion to stimulate in dealer salesmen a new interest in gas appliances; and to Violet Radman, for a series of dinner meetings for all employees and their wives in the modern-

ized home service Kitchen Institute.

In judging, it was felt that special mention, in addition, should be directed to the following four entries: Division A to Vivian L. Marshall, New Orleans Public Service Inc., and Mrs. Florence J. Neely, Consolidated Gas Electric Light & Power Co. of Baltimore; in Division C to Dorothy Buch, The Ohio Fuel Gas Co., Mansfield, Ohio and Alice L. Strickler, Public Service Electric & Gas Co., Rutherford.

Air conditioning award

The third annual A. G. A. Progress Award for Gas Summer Air Conditioning, sponsored by Servel, Inc., was presented to Lone Star Gas Company. The Dallas utility was judged to have made the greatest contribution during the year to the advancement of gas summer air conditioning.

A check for \$1,000 and a plaque were presented to the company. In addition, gold-plated replicas of the plaque were given to D. A. Hulcy, president of Lone Star, on behalf of the sales and engineering staff.

During the year Lone Star sold 367 gas air conditioners throughout its distribution properties in Texas. This is considered outstanding, especially in view of the fact that sales were accomplished in spite of an early spring business recession.

Lone Star Gas Company has a staff of 21 salesmen and 35 engineers who devote all their company time exclusively to gas air conditioning. Numerous installation personnel, maintenance men, etc., are assigned to air conditioning.

The gas air conditioning program for Lone Star Gas Company is under the general supervision of Chester L. May, vice-president in charge of distribution. Salesmen and others promoting Servel gas air conditioning had the full support of Lone Star employees who furnished leads and prospects. This is in line with Mr. May's slogan, "Every Employee A Salesman."

The Jury of Awards consisted of L. Bert Nye, Jr., Washington Gas Light Co.; H. W. Doering, Springfield Gas Light Co., Springfield, Mass.; H. P. Morehouse, Public Service Electric & Gas Co., Harold Springborn, *Gas Age*.

Ancient suppliers hold largest wassail

BREAKING all records for attendance and enthusiasm, 365 Suppliers and Burgers gathered Monday evening, October 2, at the Hotel Madison in Atlantic City, N. J. for the annual Wassail of the Gild of Ancient Suppliers of Gas Appliances, Skills, Gins, Accessories and Substances. Conducted on an invitation basis, this informal buffet supper brings together gas company executives and Suppliers. The latter are men who for at least ten years have been suppliers of appliances, services, equipment, accessories and materials.

The Wassail is the culmination of the Gild year and is always held on the first evening of the American Gas Association Convention. It follows a series of breakfast meetings held at state, regional, sectional and national meetings throughout the 12 months.

The pattern of the ancient Gild was chosen as affording the best symbolism expressive of loyalty to craft, worthiness of membership, dignity of years of service. By its ancient form and ritual the Gild provides, in a modern age, opportunity for entertainment and pleasure without detracting from serious and idealistic purposes.

Present officers of the Gild are: Mayor—E. Carl Sorby, Geo. D. Roper Corp., Rockford, Ill.; Senior Warden—George P. Velte, American Stove Co., Long Island City, N. Y.; Clerk—William G. Hamilton, Jr., American Meter Co., Philadelphia; Keeper of the Treasure—Glenn H. Niles, Ridgewood, N. J.; Sergeant-at-Arms—Wilson J. Kite, Jr., Barrett Division, Allied Chemical & Dye Corp., New York.

Aldermen are: Joseph A. Messenger, Buell



Officers of the Gild in ceremonial attire at annual wassail of Ancient Suppliers, held the first evening of A. G. A. Convention in Atlantic City. E. Carl Sorby (front row, third from right), is present mayor

Engineering Co., New York, N.Y.; Stephen D. Day, S. D. Day Co., Houston, Texas, and Wayne R. Smith, Continental Water Heater Co., Glendale, California.

Regional Wardens are: Joseph H. Lewis, Grayson Heat Control, Ltd., Lynwood, Calif.; C. D. Lyford, Minneapolis-Honeywell Regulator Co., Minneapolis, Minn.; Carl Liden, Ohio Foundry & Mfg. Co., Fentress, Texas; David S. Sharpe, Geo. D. Roper Corp., Atlanta, Ga.; John K. Busch, Geo. D. Roper Corp., Grosse Pointe, Mich.; Frank H. Post, Robertshaw-Fulton Controls Co., Youngwood, Pa.; Sol W. Weill, Geo. D. Roper Corp.,

Philadelphia; Alvin M. Stock, New York, N. Y.; Russell B. Wright, Hardwick Stove Co., Boston, and Paul C. Kreuch, Pittsburgh Equitable Meter Div., Rockwell Mfg. Co.

Past Mayors of the Gild are: William S. Guitteau, American Meter Co., Fort Lauderdale, Fla.; C. Edwin Bartlett, Ruud Mfg. Co., Philadelphia, and Joe A. Mulcare, Mulcare Engineering Co., New York, N. Y.

The 1950 Wassail was under the direction of Master of Revels Messenger, who recently asked to be relieved of these duties through pressure of other business. A new Master of Revels will be appointed shortly.

Residential bill form exhibit available

NOW AVAILABLE from the Association's Accounting Section is a two-volume exhibit of bill forms used for billing residential customers and meter reading sheets. Included are specimen forms from 70 companies.

The exhibit is an outgrowth from "Pages

from the Book of the Month and Trends in Bill Form Design" which was presented at both the 1949 Detroit Accounting Conference and at the A. G. A. Annual Convention that same year by D. C. Gillespie, Columbia Engineering Corporation. This exhibit is available

on loan to all member companies of American Gas Association.

Inquiries should be addressed to Thomas J. Shanley, secretary, Accounting Section, American Gas Association, 420 Lexington Avenue, New York 17, New York.

Eight-month appliance shipments set records

SHIPMENT of gas appliances set new records in the first eight months of this year and 1950 probably will be a record year, according to Edward R. Martin, director of marketing and statistics for Gas Appliance Manufacturers Association. Record shipments were made of automatic gas water heaters, domestic gas ranges, gas house heating and air conditioning equipment, gas-fired furnaces, gas broilers and conversion burners.

The new records were the result of the tremendous increase in the use of gas, largely due to utilization of this fuel from western and southwestern fields, increased promotion on the part of the industry, and the public's awareness of the superiority of gas for domestic uses, Mr. Martin said.

Automatic gas water heaters—Shipments during the first eight months totaled 1,498,400 units, a 66.5 percent increase over the 899,700

units shipped during the same period last year, and five times greater than the prewar average.

In August, shipments reached a new monthly peak of 264,000 units, a 90 percent increase over August 1949.

Domestic gas ranges—Shipments totaled 1,902,900 units from January to September, a 62.4 percent increase over the same period in 1949, and double the prewar average shipment for the period.

August 1950 shipments soared to an all-time monthly high of 318,000 units, a 20 percent increase over the previous high established in March of this year when the industry shipped 264,000 units.

Gas house heating and air conditioning equipment—Shipments of gas-fired central house heating equipment (furnaces, boilers and conversion burners) reached a new "high" for the first eight months and totaled 675,100 units. This more than doubles unit shipments

during the same period of 1949 and is 15 times greater than the prewar average for the period.

Gas-fired furnaces—From January to September 372,600 units shipped, an increase of 166.1 percent over 1949 (the industry's peak year here), 15 times greater than the prewar average.

Gas boilers—Shipments totaled 42,600 units, 79.7 percent greater than in the first eight months of 1949 and eight times greater than the prewar average.

Conversion burners—An eight-months record of 259,900 units shipped was established this year, an increase of 70.7 percent over shipments for the same period of 1949 and almost 18 times greater than the prewar average. Compared with shipments for the eight-month period of the industry's peak year (1946), 1950 shipments are 11 percent greater.

Herald Tribune planning "gas issue"

COMplete news coverage of the bringing of natural gas to the New York area will appear in a special supplement to the *Herald Tribune* edition of "This Week," to be published Sunday, November 12. Stimulation of new interest among users of gas, and of greater buying activity on the part of consumers are expected to result from the addition of this new public service.

New York is where the greatest home-building boom in history has been progressing for the last five years, enlarging the market for every kind of household equipment. It is also the area in which the *Herald Tribune* has its greatest influence, as its Sunday edition, carrying "This Week," blankets the suburban market of the families with ability to buy.

Leaders of the gas industry feel that their contribution to family welfare has not been as greatly glamorized as have other vital utility services which made the front pages last

summer because of the critical shortage. They feel such a situation can be changed now that a pipeline will bring to New Yorkers a clean and inexpensive heat agent heretofore limited to districts within easy transportation distance of our great petroleum pools of the West. A soundly executed promotion, tied in with the opening of the line, is expected to step up the purchasing of new heating equipment.

The Gas Issue of "This Week" designed to do this task will contain elaborate special features, news stories and pictures. Included will be a picture-news story of the pipeline, its history as it snakes its way across 1,840 miles of the continent, and what this will mean to the New York consumer.

Features which the *Herald Tribune's* Home Institute will contribute to the publication will include "How to Select Your New Gas Range," "How to Get the Most Out of Your Gas Range," and "Heating with Gas." Clementine Paddleford, noted *Herald Tribune* food

authority, will disclose a group of Western recipes with her "Old Stove Round-Up."

This special issue will be brought to the attention of all leading builders and contractors, master plumbers and gas appliance dealers in the trading area through the extra distribution of 5,000 copies of the *Herald Tribune*. This is in addition to the regular Sunday circulation of the newspaper.

Additional copies of the Gas Issue will also be sent to presidents and board chairmen of leading banking and investment houses in the New York area. Public utilities companies wishing to make a wider distribution of the issue among their stockholders and customers may obtain them from the *Herald Tribune* at cost.

The retail advertising department of the newspaper will coordinate special promotions of suppliers as tie-ins with its "This Week" promotion.

French gas official visits A.G.A. convention

EBIARD, president of the French Gas Association, stated last month that "The American gas industry has reached a state of perfection of construction that is totally unknown in France." Mr. Biard arrived from France and went directly to the American Gas Association Convention and Gas Appliance Manufacturers Association's Exposition in Atlantic City.

Mr. Biard came to America expressly to represent the French Gas industry and to view some of the 1,200 new and improved gas appliance products exhibited at the GAMA show.

In comparing the gas industries of the two countries, Mr. Biard said: "Everything here is larger and vaster than it is in France. Our whole industry gathered at such an exposition as this would probably total around 600 members, while here we have at least 8,000 representatives of the American gas industry. In France our natural gas industry is really in the infant stage. For the present there is only natural gas in the South of France. We expect to expand, but it will take many years."

According to Mr. Biard, "Appliances and controls are the items that overwhelm me. In France we just don't have such items. Fabri-

cation has not been developed and in order to start producing such items we would have to start from the beginning. We would have to get entirely new manufacturers to make these products. This introduction of new business is restricted due to the fact that dies, parts, etc., which are not available in France would have to be imported, and this would prove to be very costly. However, I should say that the finished products that are produced in America, even with tax, duties, etc., would be within reach of the French people and are what I would consider reasonable."

Ohio Fuel Gas names new officers

TWO NEW VICE-PRESIDENTS have been named by The Ohio Fuel Gas Co., Columbus group subsidiary of The Columbia Gas System. They are Frank S. Williams, Columbus, Ohio district manager, who was recently appointed business promotion manager, and C. C. Phillips, manager of transmission and a member of the board of directors.

Mr. Williams started with the company in 1927 and became personnel director two years later. He was appointed Springfield, Ohio dis-

trict manager in 1934 and was moved to head of the Columbus district in 1939.

Mr. Phillips joined Ohio Fuel Gas in 1910 as timekeeper for a gas line repair crew. He was transferred to the payroll department in 1912 and two years later was moved to the gas measurement department. He became manager of that department in 1926 and was made manager of transmission in 1929. He was elected to the board of directors in 1946. Mr. Phillips is a member of American Gas Association.



F. S. Williams



C. C. Phillips

Ohio Gas Company announces personnel changes

JAMES L. TUTTLE has been advanced from superintendent of distribution to general superintendent, Ohio Gas Co., Bryan, Ohio. Albert H. Hartley, Jr., has been promoted from engineer to assistant to manager.

Mr. Tuttle, the new general superintendent, succeeds J. T. Kelley who moved to Wash-

ington Gas and Electric Co., Tacoma, Wash., in July. Mr. Tuttle joined Ohio Gas Company in April 1947. Prior to that time he served with Allied New Hampshire Gas Company, Rochester, N. H., in various operating capacities.

Mr. Hartley, the new assistant to manager,

joined the Ohio company in May 1949 after service with Blackstone Valley Gas and Electric Co., Pawtucket, Rhode Island. He is a graduate of Brown University.

James R. Jayne, a graduate of Tri-State College, Angola, Ind., has joined the gas company as student engineer.

Personal
and
otherwise

Vivian Marshall heads A.G.A. home service

VIVIAN L. MARSHALL, home service director, New Orleans Public Service Inc., has been appointed chairman of American Gas Association's Home Service Committee for 1950-51.

Miss Marshall was named home service director at New Orleans Public Service in 1944. Since then, she has directed a year 'round program emphasizing appliance and cooking classes in the company's model kitchens, in schools and in dealer stores for experienced and beginner cooks.

Sponsor of the 1950 Southern Gas Associa-

tion Home Service Workshop, Miss Marshall is also active in numerous civic, professional and service organizations in New Orleans. She was educated at Mississippi State College for Women, Loyola University of the South, and received her home economics degree from St. Mary's Dominican College.



Vivian L. Marshall

Herrman made Southern California gas official

WALTER J. HERRMAN has been appointed a vice-president of Southern California Gas Co., Los Angeles. Formerly vice-president of Commonwealth Services, Inc., New York, Mr. Herrman testified as an expert witness for both Southern California and Southern Counties Gas Companies in recent rate hearings in Los Angeles. In his new post, he will have responsibility for all rate and appraisal matters.

The newly appointed vice-president has had more than 25 years of experience in the public utility and financial fields, specializing in rate and appraisal work and in matters relating to

the economics of the public utility business. He began his utility career in 1924 with Great Western Power Company in California, shortly after receiving a degree in electrical engineering from University of California.

In 1929 he became a partner and vice-president in the investment firm of H. R. Baker and Co., which firm he served until 1940. During this period he specialized to a considerable extent in the field of public utility securities. Subsequently he served with Theodore Gary Company and Associated Telephone

and Telegraph Company.

Mr. Herrman is a member of the Rate Committee, American Gas Association, and the general rate committee of Edison Electric Institute. He is also active on the A. G. A. Committee on Economics.



W. J. Herrman

Michigan-Wisconsin elects vice-president

VOLNEY H. KYLE, JR., has been elected vice-president and manager of operations, Michigan-Wisconsin Pipe Line Company. Michigan-Wisconsin is an affiliate of Michigan Consolidated Gas Company and Milwaukee Gas Light Company in the American Natural Gas Company system.

Mr. Kyle, as an engineer on the staff of Ford, Bacon & Davis, had the responsibility in the field for the construction of the Michigan-Wisconsin line, the recently completed 1,500-mile system bringing natural gas from Texas to Michigan and Wisconsin.

Mr. Kyle is a pioneer in the natural gas

transmission business, having assisted in the construction in 1927 of one of the first large-diameter cross-country high pressure natural gas pipelines ever built. That was the line from the Monroe, La., natural gas fields to Baton Rouge and New Orleans, built by Ford, Bacon and Davis, for the Interstate Natural Gas Company, Inc.

Mr. Kyle spent 12 years in engineering studies and construction of pipelines for Ford, Bacon & Davis, other lines being the Colorado Interstate Gas Company line from Amarillo, Texas to Denver, Colo., and Southern

Natural Gas Company's line from Monroe, La., to Atlanta, Georgia. Mr. Kyle has been with Michigan-Wisconsin since January 1, 1950.

Mr. Kyle majored in mechanical engineering at Tulane University. He is a member of American Gas Association.



V. H. Kyle, Jr.

Manufacturers announce personnel changes

● **American Meter Company**—J. H. Satterwhite has been elected president of the Westcott & Greis, Inc. division with headquarters in Tulsa, Oklahoma. Mr. Satterwhite early in his career served with Hope Natural Gas Company and The Peoples Natural Gas Co., Pittsburgh. He was at one time general superintendent of Creek County Gas Company and superintendent of Yale Natural Gas Company in Oklahoma. He has been associated with Westcott & Greis for many years. Mr. Satterwhite is a member of American Gas Association.

● **American Stove Co., St. Louis, Missouri**—L. L. "Pete" Peters has been named LP-gas sales manager in a realignment of sales activities effective October 1. He succeeds B. R. Tritton, recently appointed assistant secretary, and whose function as general credit manager has been transferred from the sales department to the treasurer's office. Mr.

Peters in March 1950 was appointed commercial sales manager, a responsibility he will retain in addition to managing the company's nation wide LP-gas sales. He is a member of American Gas Association.

● **Norwalk Valve Co., S. Norwalk, Connecticut**—H. R. E. Austin has been appointed sales manager. He was formerly president of Austin Mason Company, New York, and was also associated with National Cylinder Gas Company.

● **The Sprague Meter Co., Bridgeport, Connecticut**—F. Whitworth, chief engineer since 1944, has been appointed works manager. In 1949 Mr. Whitworth received the Gas Appliance Manufacturers Association award for meritorious service to the gas industry. He is a member of American Gas Association and has lectured on various phases of the gas industry.



F. Whitworth



Charles Stewart

Charles Stewart replaces Mr. Whitworth as chief engineer. Mr. Stewart has been in the gas utility business for more than 25 years and is the author of technical articles on metering and gas utilization. He joined the meter firm in 1948 and is largely responsible for the company's combination meter and regulator.

Operating appointments announced by UGI

THREE organizational changes have been announced in the operating department of The United Gas Improvement Co., Philadelphia. E. H. Smoker has been appointed operating manager; Gordon M. Jones has assumed the position of sales manager, and W. D. McElroy has been made gas engineer.

Mr. Smoker will supervise operating activities for companies in the UGI system. He started with the company in 1930, was appointed manager of the development laboratory and assistant to the research director in 1940. In 1945, he was transferred to the operating department as gas engineer where he had remained until his current promotion.

Mr. Smoker received his BS degree in chemistry from Franklin and Marshall College and

a PhD in chemistry from University of Cincinnati. He is active in American Gas Association, Pennsylvania Gas Association, American Chemical Society, American Institute of Chemical Engineers, and is a registered professional engineer in Pennsylvania.

Mr. Jones returns to UGI headquarters after nine years as sales manager of Consumers Gas Company in Reading, a company in the UGI System. He started with UGI in 1917 and spent his early years in the engineering, accounting and public relations departments. From 1935 to 1941 he was advertising manager of UGI.

Mr. Jones will supervise sales and promotional activities for the companies in the system. He is an active member of American Gas Association, also of Pennsylvania Gas Association.

tion, of which he is second vice-president.

Mr. McElroy became associated with the company in 1928 after graduation from West Virginia University. From 1928 until 1945 he was successively laboratory technician, manager of the physical laboratory at Point Breeze, manager of the Chester engineering laboratories and general superintendent of the Ugitte Plant at Chester. He returns to the operating department after several years as manager of the development department of the research and development division, Pittsburgh Consolidation Coal Company.

Mr. McElroy is a member of the American Gas Association, American Institute of Chemical Engineers, American Chemical Society, and is a registered professional engineer in Pennsylvania.

Transcontinental makes personnel changes

APPOINTMENT of two key operating men and one change in personnel have been announced by officials of Transcontinental Gas Pipe Line Corp., Houston, Texas.

Walter H. Davidson, superintendent of construction, continental, has been made general superintendent of the Texas to New York City line. A Texas A&M graduate and formerly associated with Natural Gas Pipe Line of America, Mr. Davidson has had a leading

part in the company's construction, now nearing completion.

Raymond Crowe became chief engineer, effective September 1. Mr. Crowe resigned from Stone & Webster, independent engineers on Transcontinental construction, in which capacity he had been assigned to construction of this line.

Mr. Crowe is a graduate of Oklahoma A&M and an experienced pipeline builder

and operator. Before joining Stone & Webster in February 1949 he had been with Stanolind Pipeline Company for 16 years.

F. B. (Duck) Haverfield has been named superintendent of compressor stations. Mr. Haverfield recently resigned from Continental Oil Co., where he was manager of the gas and gasoline division. He had been with Continental Oil for 23 years, during which time he was engaged in construction and operation of gas and gasoline facilities.

Beckjord honored

WALTER C. BECKJORD, former president of American Gas Association, a leading figure in the utility industry, received the Outstanding Achievement Medal Award of University of Minnesota on October 5. Mr. Beckjord is currently president, The Cincinnati Gas and Electric Company.

The award is reserved for former students of the university who have "attained high eminence and distinction." Mr. Beckjord served as a director of A. G. A. for many years. He has been active in numerous utility companies including St. Paul Gas Light Co., American Light & Traction Co., Boston Consolidated Gas Co., and Columbia Gas & Electric Company.

Air Force recalls A.G.A. staff member

JOHN J. BOURKE, director of commercial cooking promotion at American Gas Association, has been called back to active duty as a reserve officer in the Air Force. Mr. Bourke will manage messing facilities serving Air Force personnel in the Pentagon Building, Washington, D. C.

Since 1946, when he joined the American Gas Association staff in New York, Mr. Bourke has handled promotional activities in the hotel, restaurant and institutional field. In addition, he has maintained close cooperation with leaders in the commercial cooking industry, working with consumers and consumer groups to protect and ex-

pand commercial gas loads.

During World War II he served as mess officer and post food supervisor at Stewart Field, Newburgh, N. Y. Mr. Bourke is a graduate of the University of Maryland and the Lewis Hotel Training School in Washington, D. C. He has a wide experience in the restaurant end of the hotel business.



J. J. Bourke

Transcontinental official



R. S. Bruns

ELECTION of Robert Stewart Bruns, Jr., as a vice-president has been announced by Transcontinental Gas Pipe Line Corp., Houston, Texas. He will be in charge of all phases of the corporation's Eastern operations.

A graduate mechanical engineer, Mr. Bruns has had wide experience in the heating field. Prior to joining Transcontinental last year, he served in an executive capacity with Preferred Utilities Manufacturing Company on the design and development of oil and gas-fired generating equipment. At Transcontinental, he has been in charge of contract and customer relations in the New York area.

Seykota heads Portland byproduct sales

APPPOINTMENT of Harold R. Seykota as manager of byproducts sales has been announced by officials of Portland (Ore.) Gas & Coke Company.

A graduate of MIT, Mr. Seykota has worked with Liquid Carbonic Corporation building plants and plant additions in Seattle and Brazil. More recently he was sales manager of Converse Company in Seattle.

Portland Gas & Coke byproducts, now grossing more than \$4 million annually, result from high-temperature decomposition of heavy residual fuel oils used in the manufacture of 570 Btu gas. Carbon, tar and light oil streams

are recovered in the gas purification process, with further refinement producing benzol, naphthalene, hard and soft electrode pitches and petroleum coke.

The company's byproducts are used by the aluminum, steel, calcium and silicon carbide, and other electro-metallurgical and electro-chemical industries.



H. R. Seykota

Williams named to Syracuse tax group

JOHAN A. WILLIAMS, Niagara Mohawk Power Corp., Syracuse, N. Y., former chairman of the Accounting Section of American Gas Association, has received a new honor. Recently Mr. Williams was elected chairman

of the newly organized Non-Partisan Tax Commission of the City of Syracuse. First job of the commission is to study 1951 budget problems.

Changeover panel

(Continued from page 14)

saturated carburetted water gas distribution to dry natural gas probably will cause loss of oil and water from meter diaphragms, consequent hardening and shrinking and trend toward a fast proof. If manufactured gas had been distributed under high pressure directly to customers, or if high pressure gas had been delivered

into a low pressure system for distribution to customers, you can expect meter diaphragms to be affected less.

(2) No effective advance procedure known, but synthetic diaphragms may help.

(3) Some companies have used oil fogging and steam hydration, others have used anti-leak compounds to seal joints.

(4) Usually regulator diaphragms are not affected much by the changeover

unless high concentration of impurities formerly had been present.

Question: In a partial or complete changeover what needs, if any, are there for oil fogging, odorization, hydration of gas, and use of low pressure holders for conditioning?

Mr. Wrench: In an old manufactured gas system, we believe the gas should be odorized to protect against loss of gas, loss of life and property by the customer and the company.

Experience shows that oil fogging and automatically controlled humidification are necessary from the start after changeover to avoid increased leakage in distribution and prevent dust troubles with attendant outage service calls. During winter, the dew point of the gas should be kept a few degrees below temperature of the mains and services to avoid freeze up troubles. Low pressure holders can continue in use but if they are water seal type and without an oil film over water in the tank, saturated gas leaving the holder can cause freeze up in mains and services. The moisture freezing out comes out as solid ice rather than slush and drip oil as with manufactured gas.

Question: If changing from 530 Btu manufactured gas to 800 Btu mixed gas, with possibility of later change to straight natural: (1) Can the changeover be a two-part job? (2) If so, what are the estimated costs? (3) Is this the best way to do the job?

Mr. Wrench: It is good practice to do

McCarter award presented in Mid-West



Wilbur A. Bussan (center), Central Illinois Electric and Gas Co., Rockford, Ill., receiving American Gas Association's McCarter medal and certificate for successful resuscitation from H. E. Braunig (left), company vice-president. James H. Erwin (right), gas division superintendent, watches ceremony

LP-gas men meet in Atlantic City



H. Emerson Thomas (left), president, H. Emerson Thomas Associates, with LPGA officials—Peter Anderson, president; Arthur Kreutzer, vice-president & counsel; H. D. White, executive vice-president

this changeover as a two-part job. The first major conversion would involve: drilling ports or increasing port area of burners; change of orifice size in burners; change of orifice in pilot burners; air adjustment. Second or minor conversion would involve: change of burner orifice, then gas air adjustment.

(2) Prevailing cost of a major conversion by outsiders at this time is from \$8 to \$15 per meter, depending on the number of appliances per meter. From this I would estimate the cost of a second conversion at from \$7 to \$10.50, if the meters have the same appliance saturation.

(3) I don't know of a better change-over procedure than this two-step approach. I would do it as follows: (a) Distribute a 800 mixed gas having same gravity as the ultimate natural at a 9-inch pressure; (b) sectionalize the city into areas that can be converted in from one day to a week; (c) drill and change orifice sizes on all burners and pilots to conform to the ultimate natural gas that you will furnish some years hence. This means keeping your distribution system under 9 inches w.c. pressure during the years you distribute 800 Btu mixed. (Increased leakage will result, but this may help you to fix your leaks.)

When natural gas is finally available, reduce your pressure to 6 inches and have a few extra men for making air adjustments which may be required in a few instances and to take care of premix burners. This last method would

eliminate the cost of a second conversion, and if done properly should work well.

Question: (1) What type of program or method has been found satisfactory for emergency curtailment? (2) What is the order of curtailment? (3) What results may be expected?

Mr. Otto: An organization adequate to take care of emergency needs should be set up. Generally speaking, the industrial sales division can handle curtailments most adequately since they are well acquainted with the industrial customers through their contacts.

(2) Interruptible loads should be curtailed first, large firm loads next.

(3) If customers have been advised ahead of time that curtailment will be required and given the reason for curtailments, good results can be expected.

Question: What forms or methods of limitation or restriction can be placed on central heating sales in order to hold them within the company's ability to supply the necessary gas?

Mr. Wrench: Where a company operates under a state utility commission an order can be obtained from that group limiting the number of heating jobs the utility can take. Such restrictive orders have been upheld by the courts.

Question: Shouldn't rates following arrival of natural gas include an automatic escalator clause in case FPC later allows increased rates to pipeline companies supplying the utilities?

Mr. Otto: No, because the cost of gas is but one of the components of the cost of

service to the utility's customer.

Question: What are the main advantages and disadvantages in substituting a therm rate for the ordinary volume cubic foot rate when changing over to a higher Btu gas?

Mr. Noyes: The therm rate, if inaugurated before the changeover, presents an outstanding advantage—customers may review the rates before and after changeover on basis of a common denominator. It also allows a simple comparison of rates with those of other companies using therm billing even though heating values of the gas distributed may be different. Where heat content of the high Btu gas varies within substantial limits, gas companies have found that therm billing will easily adjust for these variations. Volume billing requires a change in the unit price per Mcf.

Disadvantages of the therm rate are: (1) a change in measurement unit to which the customer may long have been accustomed; (2) billing procedure is more complex, meter readings in cubic feet must be converted to therms by using factors.

After experience with both rate forms, I believe the therm rate possesses superior advantages.

Question: As electric competition may most seriously affect our straight domestic sales, shouldn't the greatest reduction be made in cooking and water heating rates and much lesser reductions in house heating rates following advent of natural gas?

Mr. Brown: I don't believe reduction of cooking and water heating rates far below corresponding electric rates for those services will materially reduce competition. However, some reduction should be made to put these rates at least on a par with electric rates. Demand for space heating, on the other hand, is much more elastic. Reduction of heating rates below the cost of other fuels will produce rapid expansion in this field. Extent of the increase in house heating and rapidity of its incidence will vary almost directly with the extent of rate reduction.

Question: In amortizing conversion costs, what is a recommended period when applying to state utility commissions?

Mr. Brown: Ten years is the recommended period, approved by state commissions and acceptable to the Treasury Department. Shorter periods will not be allowed for tax purposes as far as the Treasury Department is concerned.

Residential section

(Continued from page 41)

salesmen were announced during the "Dealer Day" program Thursday afternoon. All winners and representatives of the winning companies were honored at a special Servel dinner on Thursday evening. They took off the next morning for an all-expense-paid vacation trip to Miami Beach and Puerto Rico. A separate report on the contest winners appears in the Industry News department in this issue.

Thirty-nine utility and dealer salesmen led in various categories of the contest, Mr. Jones reported. Companies with 14 million meters were registered, he added, making it the second largest competition in the contest's history.

That most recent emancipator of the American housewife, the gas laundry dryer, was the center of an informative three-pronged discussion. Under the title, "Opportunity Unlimited," manufacturer, utility and home service representatives provided sales ammunition and incentives to capture this market.

Opening the symposium, C. H. Rippe, sales director, Hamilton Manufacturing Co., told why women like the gas dryer. "It takes the hard work out of washing. It's a great time-saver; does away with weather worries; is sanitary and healthful; saves clothes and money; and eliminates the need for unsightly clothes lines." With this sales story, Mr. Rippe noted, millions of American women are live prospects.

Despite obvious advantages, the gas industry is getting only about 20 percent of the current dryer business, Mr. Rippe pointed out. "From 1947 through 1949, a total of 252,000 dryers were sold, of which 60,000 or 24 percent were gas. For the first eight months of 1950, some 36,000 gas dryers have been sold—20 percent of the total." The fact that electric dryers are outselling gas-fired dryers by a wide margin, he continued, poses a very real threat to both gas cooking and water heating loads.

Besides being a positive factor in holding gas in the home, the gas dryer is a valuable load builder, Mr. Rippe declared. For example, he said, the 36,000 new gas dryer owners in the first eight months of this year will provide the gas industry with \$280,000 in new revenue.

The electric industry is aiming at ten percent saturation on electric clothes

dryers, the speaker brought out. A ten percent saturation of automatic clothes dryers would mean the sale of approximately 2,700,000 units. At an average operating cost of 15 cents per week, Mr. Rippe estimated, "this would mean \$405,000 additional revenue per week or an amazing total of \$21,060,000 new revenue per year for the gas industry."

Is that worth your time and effort to go after, Mr. Rippe asked.

Introduction of the gas clothes dryer has given the gas industry an opportunity similar to that offered by the gas refrigerator in the early 30's, Frank M. Foster, manager of general sales, Southern California Gas Co., said in opening his talk. "Seldom," he remarked, "does an industry get two great new selling opportunities in one generation of sales leadership."

Mr. Foster summarized the assets of the gas dryer as follows: (1) a new major appliance with high customer appeal and a great potential market; (2) an appliance with important advantages over our competition, such as lower installed price, more economical operation, faster performance; (3) a new symbol of modernity to impress the public, the dealer and the salesman; (4) a new load building appliance; and (5) an appliance that will play an important part in the choice of gas vs. electricity in the home.

Most net revenue

To assure the predominate sale of gas dryers, Mr. Foster recommended coordinated national advertising and promotion, encouragement of local sales drives, and dissemination of information by A. G. A. He urged combination utilities to analyze carefully the load and revenue characteristics of both electric and gas dryers to see which will produce the most net revenue.

Rounding out the dryer symposium, Irene L. Muntz, A. G. A. Home Service Committee chairman, and home service director, Rochester Gas & Electric Corp., told how home service departments are tying in with their sales drive. From the woman's viewpoint, the gas dryer is "a shining example of a labor saving device" and should be vigorously merchandised, Miss Muntz declared.

"We must build up the customer's acceptance of the gas dryer," she said. "Most women, while they know that hanging up clothes is hard work, don't

know that it involves walking about 40 miles a year just to carry and hang up clothes. And so we should emphasize these four points, that the gas dryer saves weather worries, work, time and clothes, while it gives fluffier clothes with less wear and tear and less fading."

Home service contribution to dryer promotion, Miss Muntz stated, is in salesman training and home calls. "This home call involves more than just knowing the ins and outs of mechanical operation. There must first be a firm foundation of good laundry procedures and techniques that can be passed on to the homemaker." In her opinion, the dryer cannot be isolated from the rest of the laundry equipment.

The dynamics of sales leadership were outlined in a stimulating address by Fen K. Doscher, vice-president, Lily Tulip Cup Corp., New York, which brought the Tuesday meeting to a close. Declaring that "man does not work for bread alone," Mr. Doscher painted a three-dimensional picture of salesmanship. First comes the need for security and the opportunity for growth. Next in importance is the flow of dollars resulting from actual sales. Finally, he said, comes the psychological side. "Every salesman wants to work in an environment where he can be happy. Personal dignity and satisfaction are prime requisites of good selling performance."

The second meeting of the Residential Gas Section on Wednesday morning was sponsored jointly with the Industrial and Commercial Gas Section. Highlight of this meeting was the dramatic commercial cooking demonstration entitled "Mr. Flameless and Mrs. Flame." This novel skit dramatized the superiority of gas cooking performance as compared with electric cooking. The demonstration was introduced by Leon Ourusoff, manager of utilization, Washington Gas Light Co., and conducted by F. A. Kaiser, vice-president, Detroit Michigan Stove Co., with the aid of an attractive model. One by one, competitive claims were tested and exploded in a demonstration which could apply to domestic or commercial cooking.

Sound advice for building up customer preference for gas service was given in a stimulating address by G. A. Saas, Indianapolis, entitled "The Thirteenth Doughnut." Citing the good will built up by the baker who throws

in an extra doughnut, Mr. Saas told his audience to consistently "do more than the contract calls for." Since utility customers cannot go elsewhere for the same service, it is vitally important that all the little things which irritate people be taken care of promptly.

In Mr. Saas' opinion, there is no formula which guarantees sales. However, he gave these helpful hints: (1) Do away with mental obstacles; (2) take the wind out of the prospect's sails by anticipating his objections; (3) paint accurate word pictures of what your product will do, and (4) tell your story again and again.

In the final analysis, he concluded, the company and its salesmen must live the "thirteenth doughnut" philoso-

phy. "The best advertising," he added, "is on the wagging tongue of a satisfied user."

In a reverse approach, Dr. J. L. Rosenstein, Loyola University, spoke on "If Salesmen Could Choose Their Sales Managers." Salesmen want a sales manager who is a professional not an amateur, he cautioned. "Amateur sales managers are a major factor in causing recurring sales slumps." It is particularly important, he said, that the sales manager knows how to grow on the job and that his technical assets be supported by an understanding of human relationships.

Every piece of equipment has its special properties and specifications, Dr. Rosenstein continued. "People are

no different. Sales managers must provide incentives, know how to obtain cooperation. Why not give a man the same understanding you would give a piece of metal?" If you don't know as much about your men as you do sales techniques, get that knowledge quickly or get out of your job. Get to know your men and let them know you and respect you as a symbol of fair and understanding leadership.

This joint session concluded with a talk on the uses of gas in industry by F. T. Rainey, vice-president, East Tennessee Natural Gas Co., Knoxville, Tennessee. Mr. Rainey's remarks were accompanied by the showing of colorful pipeline film of Texas Gas Transmission Company.

Convention Quotes

(Continued from page 10)

● **FREDERIC O. HESS**, incoming president, GAMA, and president, Selas Corp. of America, Philadelphia—"We have to upgrade industrial gas within our own ranks before our customer will do likewise. We have to offset the price-conscious purchasing agent by selling heat processing, end product, quality and cost instead of Btu by the cubic foot, therm or gallon. We have to promote and practice extensive and long-range research and development. . . . Most of all we must emphasize performance; we must learn and study performance obtainable with gas as a heating process medium, instead of trying to stress the low cost of gas on a cubic foot basis or a Btu basis."

● **JAMES F. OATES, JR.**, chairman, *The Peoples Gas Light and Coke Co.*, Chicago—"The best present approach in our opinion to the solution of the peak and valley problem of many gas utilities appears to be the extensive development of the so-called off-peak and interruptible loads."

● **R. H. BUSSARD**, Washington Gas Light Co., Washington, D. C.—". . . by the use of natural gas a very appreciable saving has been realized in eliminating practically all voluntary inspections and cleans of house heating equipment."

● **HALL M. HENRY**, vice-president, *NEGEA Service Corp.*—"Use of heavy oil has proven of benefit to consumers through lower rates, companies through lower costs, and stockholders through larger earnings."

● **JOHN J. BOURKE**, director, A.G.A. Commercial Cooking Promotion—"The time is surely at hand to roll up our sleeves, join together in a concerted fight and stop this movement into a field that has every right to belong to the gas industry, since gas can perform every commercial cooking job better and more economically."

● **W. L. HAYES**, general sales manager, *Montana-Dakota Utilities Co.*, Minneapolis—"The answer to the gas industry's problem is the re-establishment of aggressive sales departments by all gas companies employing large numbers of house-to-house canvassing salesmen."

● **FRANKLIN T. RAINEY**, vice-president, East Tennessee Natural Gas Co., Knoxville—" . . . Were it not for the high load factor and volume of industrial business domestic and commercial rates of many utilities would of necessity have to be much higher than those now prevailing. A strong industrial program can assist in meeting competition and expanding markets profitably."

● **FRANK DENIER**, Arthur Andersen & Co., New York—"In the present era of increasing costs of operations and construction, a gas company is well advised to synchronize its budgeting of these costs with its forecast of revenues. Only then can it compare its budgeted return against a forecast of its rate base and determine where it is going rate-wise."

● **IRENE L. MUNTZ**, chairman, A.G.A. Home Service Committee, home service director, Rochester Gas & Electric Corp.—"It is more and more apparent that the modern housewife owes some of her good looks and her extended years to the labor-saving appliances that the gas industry has provided. The gas clothes dryer is a shining example of a labor-saving device and we should use every means at our command to tell the story of it to the American homemaker."

● **F. M. FOSTER**, manager of general sales, Southern California Gas Co., Los Angeles—"The gas dryer will play an important role in the choice of gas vs. electricity in the homes of our customers. For if the gas industry succeeds in dominating the dryer market, the gas water heating, gas cooking and gas refrigeration load is protected."

● **C. L. HAVENER**, Consolidated Edison Co. of New York, Inc.—"When we reach the point where we dislike telling the customer we're going to turn off his gas service as much as the customer dislikes having us tell him, it will be then that we shall come up with a collection policy our customers will buy."

● **H. FRANK CAREY**, chairman, A.G.A. Property Records Committee, Long Island Lighting Co.—"Any thought that we may have had some years ago that a relaxation of regulatory requirements might enable us to reduce the property record to a token compliance is now untenable for the simple reason that management has come to rely upon it more and more for a great many purposes."

Flame of progress

(Continued from page 16)

made possible an integration and coordination of sales, promotional and advertising activities never before achieved. Utilities, manufacturers, dealers and trade associations have united their sales efforts in coordinated campaigns such as the "Spring Style Show" and "Old Stove Round-Up," thus multiplying the effectiveness of each drive.

One phase of the PAR program which will fill an important technical need is the field testing program for new and improved types of automatic range ignition devices. Various manufacturers have developed 11 new ignition devices and at least 50 utilities plan to cooperate in this testing program which will speed the final development by at least two years.

A vital ally of the national promotional programs has been a substantial volume of PAR-supported A. G. A. national gas advertising. Our national advertising is effective and realistic and our objective of national impact, at least equal to our competition, is attainable. Protection of the gas cooking load in the face of increasingly strong competitive inroads merits the concern of the entire industry. It is a dual responsibility to be shared by the gas companies and the manufacturers—with gas companies contributing to the PAR Plan advertising and manufacturers advertising their own brand name products in the same publications and others.

Rounding out the PAR Plan is a broad-gauge research program which has attached utilization, gas production and general technical problems. More than 200 of the gas industry's foremost executives, engineers and technicians are directing this program which is utilizing the trained staffs and facilities of the A. G. A. Laboratories, Institute of Gas Technology, and a dozen nationally recognized educational, scientific or governmental institutions. This program is a major effort which already has strengthened the gas industry economically and strategically.

The dominant factor in shaping gas production research has been the arrival of natural gas in many new areas and its imminence in others. The competitive advantages which this low cost basic fuel offers for the expansion of gas consumption are conditioned pri-

marily on the ability of the industry to meet the attendant peak load problems.

When viewed in all its ramifications, this PAR-financed A. G. A. research program is exerting a profound effect on the course of the gas industry. It will be instrumental in keeping gas the flame of progress. I urge your increased all-out support.

In many other ways, aside from the PAR Plan, A. G. A. is contributing to the industry's steady progress. For example, a study of comparative fuels and appliances has been highly effective in exploding false claims of competitive industries. At the same time, a parallel program has been instrumental in establishing more favorable gas ratios in the consideration of utility specifications for federal housing developments. Still another A. G. A. achievement this year was completion of an authoritative "Guide for Installers of Gas Heating Equipment." This pocket-size booklet, more than 15,000 of which have been purchased, features essential installation suggestions for a good heating system.

Wealth of information

Other avenues of A. G. A. endeavor have brought a wealth of information on operating techniques and problems. Distribution, gas production, corrosion, motor vehicle, and chemical developments have been covered in meetings and reports. Statistical information like the authoritative 250 page "Gas Facts," keeps a finger on the pulse of the industry. Many accounting, rate and personnel problems have been solved and home service efforts spotlighted. With regard to home service, I am happy to say that this year is the twenty-sixth that the Home Service Committee has rendered valuable service to the industry. In short, the entire range of industry activity has been a happy hunting ground of A. G. A. effort.

In this account of A. G. A. stewardship I want to stress the fact that we have never forgotten that our goal is always the encouragement of improved gas service in the public interest.

I should like to turn now to unfinished business before our industry. No one of us knows the answers to all of the needs of the gas industry. The exchange of opinion, the working together on common problems, the sharing of knowledge derived from re-

search is the great bonus value all of us get from this association.

When we look ahead some of our destiny remains invisible, but it seems to me that certain facts about our future are self-evident.

We are on the right road in our national promotions but we need more weight behind them. National promotions provide the impact and the excitement that is needed to keep people gas-minded. If we break the chain of national promotions—or advertising—or research, we will find it difficult to pick up the slack. But we're only doing part of the job.

We must raise *more* money for promotion and advertising to get the story of modern automatic gas appliances to every corner of the land. The American people want to identify themselves with modernity—they want to be in the swim. We have in this industry plenty that is modern and romantic to talk about—the vast network of natural gas pipelines that are spreading out all over the country—the automatic gas range, the magic flame that cools as well as heats—year 'round air conditioning by gas. Psychologically we will never have a better time for talking about the modernity of gas. We must exploit our situation with more cold cash for spreading the word, more money invested in capable sales manpower, more risk capital spent in expanding our service areas.

As a corollary to more intensive promotion we need more utilities that will actively merchandise gas appliances and more dealer outlets that will do the same.

We have a good national advertising program but it needs more manufacturer support if we expect to "set the style" in the American home of the future. I realize that we cannot advertise merchandise when we have no appliances to sell, but we can condition people through a long range program of promotional advertising. I am alarmed to hear that some companies have cut down drastically on their advertising to such a point that they may soon find themselves with products to sell and no one inquiring about them. It's good business sometimes to trim, but the company that throws its advertising overboard is extremely shortsighted.

Looking over the trend of utility advertising expenditures as set forth by Public Utilities Advertising Asso-

ciation, it is heartening to see that total gas utility advertising expressed as a percent of gross revenue has been increasing in the post war period. However, I note that the percent of gross revenues expended for advertising today is still less than in 1940.

During September I attended two intensive sales conferences and out of this experience came the conviction that we still have a real job to do in the training of salesmen and in building gas sales organizations. Here again many raise the question—Who's responsible for promotion and sales? Is it the manufacturer or the utility or the dealer? The answer is that all of us are.

Selling requires salesmen. Real selling requires real salesmen with ability, knowledge and enthusiasm. Training these salesmen takes time and costs money. You who have made the investment necessary to achieve a first-class sales organization have a priceless asset.

In the recent postwar era many of us found we had almost forgotten how to sell. Since then in a thousand different ways and on hundreds of occasions, the voice of experience has told us what a costly mistake it is to take our foot off the important accelerator of sales effort. If that sales effort is not needed to sell appliances which may be in short supply, it is needed to keep the public and our customers sold on the intrinsic value and superiority of gas as a fuel.

In my opinion the most critical problem facing us is to awaken our industry and particularly top management of gas utilities and gas appliance manufacturers to the crying need for a greater sales effort. The answer might well be found if everyone of us could devote himself to an intensive effort to achieve the following goals:

- (1) More and better trained sales manpower

- (2) Improved gas appliances
- (3) A better pattern of distribution
- (4) More advertising and promotion of gas appliances and gas service
- (5) A bigger share of the new home market.

But in the long run, our sales results will be no better than products we sell.

Because of this I should like to throw out for consideration the idea that we might well think seriously of upgrading our products and establishing higher minimum requirements for gas appliances and higher goals for our research programs.

There have been relatively few radical improvements or changes in the gas range and the automatic gas water heater in recent years. And when we have had improvements, as exemplified by the CP range, wholehearted industry support has been lacking. This lack of support makes it economically impossible for the gas appliance manufacturer to continue his research. An improved range is no good to him if 50 percent of the country's gas utilities fail to support it.

Our competition is aggressively hammering away at the modernity, cleanliness and coolness stories. It is apparent that the gas industry must make every effort to make sure that modern gas appliances are equal or superior in quality, styling and modernity. It seems to me that now is the time to include some performance specifications in basic A. G. A. requirements. This issue is one which, in my judgment, we must clear up, and soon. Are we going to make up our minds to the fact that the gas range which ignites at all use-points automatically and remains cold when not in use is to be a standard and basis for our promotion and development? Or are we going to

continue to tolerate the sale of match-light or non-automatically-lit gas ranges?

In my opinion, if we could say that the automatic gas range in so far as ignition is concerned is the only appliance for our industry to approve and promote, we will be doing our utilities and gas appliance and equipment manufacturers, and our customers, an invaluable service.

Turning from appliances to the subject of over-all policy, I believe that we are making progress in business statesmanship and in our relations with government. I hope that we will continue to create more channels of communication with our public and with government to the end that better understanding of the function of the public utility will prevail. There is a grave necessity for a better exposition of fiscal operations in utilities so that taxing will be realistic and not prohibitive of enterprise.

Finally I recommend that we give more serious considerations to the manpower requirements of the gas industry. Let us attract young and progressive people to this business and help them to work out worthwhile careers in the public utilities. And our help should be by providing good training programs, opportunities for advancement and proper salary scales.

We should do all that lies within our power to present this industry to the young men and women of America as it is—a growing, expanding and demanding business, with horizons and opportunity—and romance—enough to satisfy the most adventuresome.

If we can achieve these things and continue the march toward the goals the leadership of this industry has set, gas will continue as the Flame of Progress. That which deserves to live—lives!

Home service

(Continued from page 28)

Television was the third discussion subject on the Round-Table. Louise Winslow, television home economist for The East Ohio Gas Company in Cleveland, discussed "Television Techniques." She listed six points: (1) establish your purpose; (2) plan your show; (3) try it out; (4) see it on the camera; (5) plan for the unexpected, and (6) be willing to change.

Miss Winslow urged home econo-

mists conducting TV shows to "know and understand the features of every appliance, then show them to the viewers just as you would want to be shown. . . . Let the viewer see that the unit is part of your life, something you use and not just advertise. . . .

"If you're selling gas," she added, "you're selling service and information."

"Little Things that Count" in home service work were discussed by the final speaker of the Round-Table, Gladys B. Price, home service director,

Southern California Gas Co., Los Angeles. Miss Price described ways of tying-in gas appliances with new developments in other fields—packaged mixes, quick frozen, raw and cooked foods. These developments have brought a major change in demonstration methods and presentations, she noted.

Home service has possessed a good basic program for many years, Miss Price concluded. Today, however, this basic program needs a dramatic and truly modern touch.

Summer valleys

(Continued from page 20)

sendout which goes to space heating customers.

I believe that the two accompanying charts help to dramatize the problem involved in the acute peak situation created by the space heating load and the significance of the interruptible and offpeak business in filling the valleys.

Chart 1 represents daily gas requirements of the Peoples Company for all classes of sales during 1930. That was one year prior to the introduction of Texas Panhandle natural gas to the Chicago area. Note that we had a very good annual load factor in that year even without offpeak or interruptible loads. The bottom portion of this chart represents our residential, commercial, and industrial sales (exclusive of space heating) for the year 1930 and the black portions represent the relatively small quantity of poor load factor space heating sales in that year.

Chart 2 represents the estimated daily gas requirements of the Peoples Company for all classes of sales for 1950. This chart is drawn on the same scale as Chart 1, and like Chart 1, the bottom portion represents the volumes required for firm residential, commercial, and industrial sales (exclusive of space heating). The black portions represent the poor load factor space heating sales. The offpeak and interruptible sales dramatically illustrate the need for such sales in order to maintain a relatively stable annual load factor on a system where the storage of valley gas has not been accomplished to date.

Sound theory needed

One of the most perplexing and intriguing features of the promotion and sale of interruptible and offpeak gas is the determination of a sound theory and philosophy to be followed by utility managements and state regulatory authorities in fixing the rates at which such service shall be provided. The interruptible and offpeak consumers buy the same gas that is sold to the general consumers from the same enterprise. The only distinction between general firm customers and interruptible and offpeak users is the character of service—offpeak customers are firm but only for a specified portion of the year; interruptible customers use gas during all of the year but only at times when it is available

because not taken by firm customers. This difference between the character of service obviously warrants rates for interruptible and offpeak gas at levels lower than that charged to the general firm customers. How much lower, is an imponderable question.

It must further be remembered, that no pipeline was ever built from gas fields of the Southwest to a northern metropolitan urban area to supply offpeak and interruptible users. The existence of the firm demand of general customers, domestic, commercial, and industrial, constitutes the market justifying the construction of pipelines and the construction, maintenance, and expansion of gas distribution systems. The general customers are the people for whom the systems of transmission and distribution were primarily built. It is only because such general customers do not require the volume of gas made available to them for their peak demands at all times, all the year that there is any gas available for the interruptible and offpeak user.

Viewed in this light, the sale of interruptible and offpeak gas is comparable to a byproduct business. While it is justifiable, for the reasons stated, to sell such gas at rates lower than that charged to the firm customers, the sales of interruptible and offpeak gas must be fixed at a level and in accordance with a theory which protects the interests of the primary consumers—the general firm customers.

The theory which, it is submitted, should be followed in fixing such rates is the following:

Rates should be no lower than the out-of-pocket or incremental cost of providing the service. Otherwise the general firm customers will lose through the sale of gas made available for them but temporarily not needed by them. The rates should be no higher than the costs of competitive fuel, otherwise the interruptible and offpeak gas could not be sold and the byproduct business would fail.

Somewhere in this range, a proper level can be found and should be fixed initially in the discretion of management to be disturbed by commissions only if the level is obviously arbitrary and unwarranted. The level should be within these limits at the place which, in the light of the costs of competitive fuels, gives the best practicable assurance that the maximum dollar benefit

will inure to the utility and ultimately the general firm customers.

Reference to the costs of competing fuels as a standard in fixing rates for so-called surplus gas (offpeak and interruptible sales) is not a novel principle. Numerous regulatory bodies have adopted and applied this principle over a period of years. Its history is closely identified with the growth of the natural gas industry.

Thus, the Railroad Commission of California in fixing an interim order with respect to the sale of surplus gas said in 1941 (43 C.R.C. 841, 843):

"Of course, the price of gas was related in a competitive way to the price of oil; in some cases incidental advantages affected the competitive price. The gas company received the difference between the field price and the industrial price as practically a net addition to income, for the transmission systems designed for the winter heating peak would otherwise only be filled to a fraction of their capacity during the summer months."

Industrial gas

Similarly, in *Re Southern Counties Gas Co.* (Cal. Comm.) 40 C.R.C. 897, California Railroad Commission made the following statement in passing upon rate schedules for surplus industrial gas:

"Both because the gas necessary for industrial use was not firm gas, and because, at least in the lower bracket schedules, it was directly competitive with other fuels, mostly oil, the lower bracket rates were established on the basis of increment cost and at a sufficiently low level to make the product reasonably competitive with other forms of fuel. As to higher bracket schedules, while there has been a degree of competition between natural gas and other fuels, many other factors entered in other competition to determine whether natural gas or some other fuel was used. The Commission has never fixed surplus industrial rates in the sense that it has fixed maximum reasonable rates for domestic and commercial gas, but has given the utilities a rather free hand in developing rates."

Other commission cases are on the record and substantiate the propriety of the relationship with the price of competitive fuels. In addition, the courts have sustained the position of the regulatory commissions with re-

spect to rates applicable to surplus gas.

In *Pennsylvania Power & Light Co. v. Public Service Commission*, 128 Pa. Super. 195, 193A 427—an appeal was taken from an order of the Public Service Commission. In discussing rates for natural gas generally, the court said:

"... natural gas is in competition with coal and fuel oil and, beyond a certain price, with manufactured gas. A point of diminishing returns arises by reason of increased price in the sale of all commodities. This is peculiarly applicable to natural gas. There is ample evidence in the record to support a conclusion that as the price of natural gas increases there is a trend toward the use of coal or consumers turn to oil for fuel. . . . It would serve no purpose to fix a price higher than the public will pay before resorting to other fuels. If a rate is fixed which will not promote an expansion of the applicant's market, it cannot function as a natural gas company. "On the other hand, it is equally true that a reduction in rates will not always reduce the net earnings, but, on the contrary, may increase them. The question of how much increased consumption under a less rate will increase the earnings of complainant, if at all, at a cost not proportioned to the former cost, can be answered only by a practical test. . . . The public does not guarantee a utility that its investment will be profitable. The evidence on the record as to the price that will be paid for natural gas in competition with other fuels should have the careful consideration of the Commission in fixing of a proper rate."

The principle established by the foregoing decisions has been held applicable to the Peoples Company and other distributing utilities served by Chicago District Pipeline Company and Natural Gas Pipeline Company of America.

In *Natural Gas Pipeline Co. v. Federal Power Commission* (C.A. 7th) 131, F. (2d) 137, the court was required to determine the ownership and disposition of a fund which had been impounded as a result of a stay order pending review of a rate reduction order of Federal Power Commission with respect to Natural Gas Pipeline Company. In holding that the ultimate customers and not the distributing utilities were entitled to the fund, the court said:

"It is commonly recognized with respect to utility charges, that certain

rates are established on a basis which meets competitive conditions in a particular field, rather than as a basis related solely to the costs of providing the particular service. Rates established for the sale of gas for industrial use and home heating are the principal rates of this character. The charges are determined in the light of the cost of some competing commodity or service, and are, or may be, lower than rates charged for other classes of gas sales. The wide differences between these rates are known to, and have the approval of, regulatory commissions. Moreover, heating and industrial gas sales represent 'large volume' uses, for which the cost per unit is lower than where sales are made in smaller volume to large numbers of customers. In consequence, the court deems it equitable to eliminate, so far as practicable, gas sold for industrial and house heating uses from the basis of the refund."

Legal opinion

As has been pointed out, the level normally fixed for offpeak and interruptible rates should fall between incremental or out-of-pocket costs for furnishing the gas in question and competitive fuel prices. The former constitutes the floor and the latter represents the ceiling for such rates. The range in rates applicable to surplus industrial gas is clearly set forth in *Re Southern Counties Gas Co.* (Cal. Comm.) (19 C.R.C. 421). I quote from the opinion of the California Commission.

"It is apparent that if possible the industrial service must pay the total cost of gas purchased after accounting for a portion of the losses, and, in addition, pay a part of the operating costs chargeable to the transmission and distribution of the gas, taxes and a part of the return on the investment necessary to serve such gas."

There are other decisions of state commissions which also substantiate this point.

In addition, there are definite benefits to be derived by firm customers from the sale of gas to offpeak and interruptible customers. Recognition of the benefit derived by firm customers from the sale of gas for offpeak and interruptible use is found in the decisions of various regulatory bodies including Illinois Commerce Commission. Thus, in *Illinois Coal Operators*

Association v. Peoples Gas Light and Coke Company (Ill. Comm. 7 P.U.R.) (N.S.) 403, the Illinois Commission made the following statements with reference to the interruptible rates of the Peoples Company (p. 417):

"In so far as the record is concerned, it clearly shows that the sale of gas under present arrangements to the three boiler fuel customers results in a net profit to the respondent and increases its net earnings. Unless the Peoples Company is able to sell, and realize a net profit therefrom, the excess volume of gas which most always exists over and above the domestic requirements as a result of the fundamental character of the utility industry, it must depend upon the domestic load to earn a fair return. Each dollar of profit earned as a result of commercial and industrial service decreases by that sum the amount of return which must be contributed by the other customers."

In fixing rates for offpeak and interruptible service between the incremental costs of such service on the one hand and the price of competing fuels on the other, the question of undue preference or discrimination is sometimes raised. When rates for such service are so very low as to approach actual out-of-pocket costs, firm customers may complain that offpeak and interruptible users are not bearing their just share of the cost of service. Conversely, offpeak and interruptible customers may urge that they are being required to subsidize firm customers when the utility realizes a profit over and above the incremental costs of furnishing offpeak and interruptible service.

Neither of these contentions is sound where the rates in question fall within the permissible range between incremental costs of rendering such service and the price of competing fuels. It has long been recognized in the field of regulation that a utility may rightfully serve customers differently situated with the same commodity at different rates. Even at common law, utilities have been permitted to classify their service and to fix different rates for different classes of service.

In Illinois the common law in this respect has been codified by statute. Section 32 of Public Utilities Act of Illinois provides in part as follows: (Ill. Rev. Stat. 1949, Ch. 111-2/3, sec. 32):

"Any public utility, with the consent and approval of the Commission may

as a basis for the determination of the charges made by it classify its service according to the amount used, the time when used, the purpose for which used, and other relevant factors."

In concluding my discussion of the legal concepts involved in the sale of gas for offpeak and interruptible customers, it should be observed that no decisions have been found by our lawyers in which the use of competing fuel prices has been condemned as a standard or guide in fixing rates for offpeak and interruptible service as distinguished from firm service.

As the name implies, offpeak and interruptible service deals with the sale of surplus gas during certain periods as opposed to a continuous supply. Accordingly, the users of such gas necessarily maintain equipment to burn other fuels when the supply of gas is discontinued and, unlike the general firm customers, are always in a position to use substitute fuels when the price of gas exceeds the price of such fuels. In other words, the cost of competing fuels is an accurate measure of the value of offpeak and interruptible service to users from an economic standpoint.

Interruptible and offpeak customers over the long run will unquestionably derive the greatest advantage from the purchase of surplus gas at prices fixed in relation to the cost of competitive

fuels. The utility will always seek a rate sufficiently below the costs of alternate fuels to produce the largest financial benefit. It is quite unlikely that oil and coal will so fall in price that substantial savings cannot be made available to the interruptible and offpeak users. It also appears that rates so fixed will be substantially below the rates charged the firm customers. Unless the rates are so fixed, there is no sound theory to permit a substantial differential between the firm customers' rates and the rates for surplus gas. Under present and foreseeable conditions no interruptible or offpeak customer would welcome rates which even approach firm rates.

There can be little question that from the operational, social, and legal points of view the sale of surplus gas to interruptible and offpeak customers is advantageous, desirable, and permissible. It is an important and specific step that we in the gas industry can take in doing our job for the public.

Filling in the valleys in this manner is in the public interest generally and of direct benefit to general residential customers. It is only through the balancing of the year round load in such manner as this that the capacity can be economically built up to meet winter peak demands of residential customers.

Only when a gas utility provides gas service at reasonable rates to all customers at all times for all uses they

wish to make of it can that utility claim to be doing a complete job of public service. It is only when a gas utility and all privately owned and privately operated utilities, for that matter, do a job which fully satisfies the public that they are reasonably free from the threat of socialization. To the extent that utilities can themselves be free from that threat, they help protect all American business and consequently the economic future of our country.

The proper development of sales to interruptible and offpeak customers requires planning and salesmanship. Indeed, unless great care is used you can find (as we did last April) a peak day in the offpeak period. In the broad sense, we have here another proof of the importance of salesmen and salesmanship. We, all of us, must sell a program such as the one here recommended to the public, industries, and regulatory agencies.

It is reassuring to reflect that as America faces the ever-growing challenge of nationalization, we are a race of salesmen and the gas industry is sales-minded. Salesmen are the field forces of economic democracy and the American system of free enterprise—because salesmen implement the vital principle of competition.

The gas flame is a competitive fuel. Thank God that it is!

Social security

(Continued from page 17)

ties will be normal. These range between a "low" estimate of 29.92 billions to a "high" estimate of 50.12 billions.

In any consideration of figures and statistics in this field, it is well to bear in mind that the dollar estimates of the cost of the securities usually do not take into consideration the possibility of increase due to decline in the buying power of the dollar. This factor was the major basis for increasing expenditures in the recently enacted bill by amounts up to 100 percent in many instances. It is best, therefore, to view the *ratios* of expenditures to salaries and wages as to national income as probably more significant and more reflective to future costs than mere extensions of dollar amounts. These ratios would tend to show that the existing social security programs cost in excess of 8½ percent of the total wage and salary payments and may well be ex-

pected to increase under foreseeable expansions to approximately 30 percent.

If this present and future load is endangering our economy, what can be done about it? When the fruits of a tree are so heavy that they tend to strip the limbs and destroy the tree, the prudent action is to eliminate some of the fruit, or reduce some of it in size, or both. Before those remedies can be applied, I think that the congeries of securities should be grouped into classifications which draw their justification or financial support from the same sources. In the light of their proper classification controls, economies and perhaps selective eliminations can be achieved.

Job securities should be related to job revenues and matters effecting the labor market. Public health, maternal and child welfare, school lunches, and like securities, are a charge on the over-all economy and do not relate to salary and wage earners alone. Although I recog-

nize that it is quite open to debate, I would regard minimal retirement or old-age coverage as non-job related, but a charge on the economy as a whole and unsupportable if restricted to any segment of our people. In the evaluation, therefore, the necessity and cost of the job security should be weighed in the light of the wage aggregate and the labor market, while the necessity and the cost of the non-job securities should be evaluated and related to the economy of the entire nation.

With this segregation in mind, it should be apparent that savings up to at least one-third of the cost of the securities can be had in the job related areas if ordinarily prudent business practices are followed in administration and if reliefs or securities are restricted to the natural and obvious objectives. For instance, in the unemployment insurance field, in a vast number of cases payments are being made which are entirely with-

out the intendment of the security.

The original contemplation was that benefits would be provided to persons who lost employment through no fault of their own. In general, various state laws provide that benefits shall be denied to persons voluntarily leaving employment without "good cause." But "good cause" has been construed to apply in cases that are entirely unrelated to the employment status.

One large employer in New York State, attempting to verify the benefits charged against him under a merit rating provision, found that 49 percent of the employees who resigned from his organization, receiving unemployment insurance benefits, had simply resigned voluntarily. There were jobs or similar employment opportunities in his plant available to them and he had been hiring new workers throughout the period.

Contemplated marriage is a "good cause" for resignation, entitling the bride to unemployment compensation on the assumption that our social policies encourage marriage. Seasonal occupations open large areas for investigation. Ordinarily, the compensation in such businesses is premised in part upon the existence of slack seasons or substantial intervals between working days. Unemployment insurance to people in these areas is simply regularly available additional tax-free compensation. Superannuated employees upon retirement on pensions are customarily granted unemployment compensation. This despite the fact that it is quite obvious that they no longer form a part of the labor market and are clearly without the reach of the objectives of this particular security. This is duplication of benefits, not overlapping.

Space does not permit an analysis of each of the job related securities. However, what has been pointed out in connection with unemployment compensation is quite typical of the expansion of each individual benefit concept beyond any objective and without regard to overlapping or duplicating result.

All of these job related securities should be reviewed as a unit. Qualification and benefit should be restricted to the clear objective in each instance and all overlapping and duplication should be eliminated. Malingering, false claims, matters of that type can be controlled by policing by the employer of the claim, although this is only done in Wisconsin and one or two of the other states. If these limitations are applied and these

efficiencies are obtained, the job related securities will bear reasonable relation to the employment compensation. As such, they will create, in my judgment, no undue burden on the economy of the country. Unless the matter is thus handled, these job related security costs can mount until our enterprise system will mean that in name only. If through payroll taxes or other levies to support unlimited social security there is siphoned off all earnings in excess of enough to meet living expenses, we have, through the back door, become a welfare state.

It is not quite as easy to audit the merits, necessities and advantages of the non-job related securities. In the first place, I think there is a fundamental and basic matter of principle involved in the old age or retirement program. It is obviously contrary to our incentive system to level everyone off at age 65. Since our enterprise system has been productive of the highest standard of living in the world, and since it recognizes more fully than any other the dignity of man and what we regard as basic humanities, I am unable to see the desirability of discarding it in whole or in part in favor of a socialistic or egalitarian system. I think that any plan is fundamentally wrong which encourages the application of the major fruits of our enterprise system to an old age provision in excess of a minimum security level.

There is a clear trend towards the establishment of a financial floor for the aged through an effective elimination of means tests in many states. This is accomplished either through direct old age pension legislation or by generous administration. Implementing legislation is frequently adopted. Examples are abolishing of the age old common law responsibility of able children to care for aging parents, or the enactment of prohibitory legislation preventing recovery from decedent's estates of relief payments received during lifetime. Eight out of ten people over 65 receive relief in Louisiana, six out of ten in Oklahoma. I believe it is ten out of ten in California.

If the economy of our country can stand it, and I believe it can, then some minimal old age provision would seem to be in accord with the desires of the governed and no vital threat to our enterprise system. The limitations here important are first, that the amount should not exceed minimal requirements, and, secondly, that its source of revenue should be universal. It is particularly im-

portant that the provision for security above and beyond the minimum requirement be left free of government solicitude and management and as a fitting part of our free economy. A major area of savings in connection with old age pension may well lie in extension of retirement age limit on an elective basis.

It is beyond the scope of debate, as I see it, that such a minimal old age provision and all of the other non-job related securities such as child welfare, school lunches, etc., should be a charge on our national economy and not on the gross income of any single group. All of the non-job securities are related to all of the citizens of the country who contribute to its economy and not to the wage and salary earners alone.

There is a readily available means of putting into effect in the non-job security area a better common denominator of all citizens than payroll deduction.

Necessary collections for these purposes could be obtained by a super tax on income. It would be a simple matter to levy for social security programs some fixed percentage of the regular tax liability disclosed by the Federal Income Tax Return. This would keep all of us completely posted as to the cost of the social security effort and would thus tend to keep it within bounds of the ability of our economy to provide the benefits.

In summary, I suggest that in your consideration of the social security components, you segregate them into their two basic categories.

First, the job related securities—the normal business efficiencies and controls of administration should be applied, duplication and overlappings eliminated, and the whole subject evaluated in the atmosphere of the labor market and financed in the light of the aggregate of wage and salary payments.

Second, the non-job related securities—old-age provisions should be limited to minimal requirements, consideration should be given to elective and incentive work continuance beyond age 65. Other securities in this grouping should be weighed as to their necessity or desirability *inter sese*. All should be limited by the ability of the over-all earnings to finance them without impairment of our economy. Finally, the financing of these non-job related securities should be placed on the broad base of the whole population through a super levy on federal income tax.

Oil gas

(Continued from page 23)

the beginning. After a limited operating period one or two of the arch brick dropped. It was then decided to completely rebuild this arch using Ramtite. The first Ramtite arch installed in a 2-shell set in another company gave trouble. However, it was found the trouble was due to not having sufficient weight above the Ramtite. Thus on the subsequent installations, of which Cambridge was one, the space between the steel casing and Ramtite arch was filled with insulating concrete. Thus far the new design has stood up very well. We also understand that one installation which uses arch brick instead of the Ramtite has proven satisfactory thus far. The brick arch, however, was not as flat as it was in the Cambridge installation and, furthermore, a similar concrete pad was installed above the arch to keep it from heaving under pressure.

(c) Oil sprays—The oil sprays at first installed on the 2-shell set did not give the dispersion or spread that they should and were replaced.

Maintenance: checker brick (4-shell set)—The 4-shell set was operated 2,074.1 hours before it was shut down for an overhaul. This compares with 1,200 to 1,400 hours of operation on checker brick at Baltimore. Upon inspection, it was found that the upper seven courses of checker brick were completely used up and the bottom of the generators was filled with material which looked like a heavy slag, probably composed of ash, carbon and slag from the brick. This material had to be chiselled out with air tools. Operators wonder how any gas could pass through it.

The linings of the generator were in good condition.

The superheaters did not need to be rechecked and little cleaning was necessary. The flues were clean.

Maintenance: checker brick (2-shell set)—The 2-shell set, as noted from Table II, has operated for 1,743.4 hours. However, due to the arch brick difficulty and the rebuilding of the arch using Ramtite, the company decided to replace the generator checkers. Since this was done, the set has operated some 1,035.4 hours and was still producing gas in a satisfactory manner. However, the company (because of its difficulty in removing the checker brick from the 4-shell set after 2,071.4 hours operation) de-

cided to shut down and make a general inspection of conditions. Purpose was to see whether the replacement of generator checkers would be any less difficult if replaced after fewer hours operation and furthermore to check the condition of the superheater checkers. Following is the report of conditions as made by the local operating personnel.

(a) Bottom of superheater clean.

(b) The Ramtite arch had glazed over nicely with only a few cracks which were not considered serious.

(c) There were no burnt holes through the generator checkers thereby indicating good dispersion of oil.

(d) A small quantity of dry ash was removed from bottom of the riser pipe.

(e) The top checkers of the superheater showed some ash accumulation and some checking. Because of this, four top courses of checkers were replaced. There was also some ash and slag accumulation along the inside portion of each superheater shell. By removing six to eight courses in this part of the superheater the major portion of this stoppage was eliminated. The checkers in this portion of the shell had sagged somewhat—indicating a hot spot along this portion of the superheater.

(f) All refractories were easily removed from generator and superheater. No air tools required as in 4-shell set.

(g) Required four men for five days to remove and replace checkers in generator and superheater.

Proposed changes in 2-shell design—Based on operating experience to date the following is the only major change that is being made:

(1) The present hot valves are being replaced with a 3-way valve. This valve will be located at the bottom of the riser pipe—the simplest and quickest way of installing. The local operators would prefer two riser pipes with the 3-way valve nearer the wash box.

In addition to the above the local superintendent has suggested the following changes as desirable:

(a) Should have greater distance between oil spray head and first course of checkers.

(b) Set should be all down-heated rather than across and down-heated.

(c) Should follow heat with oil.

(d) Could eliminate or reduce the amount of carborundum or silica carbide used. (Baltimore reported carborundum gave them more gasifying capacity.)

(e) There should be two domes at top instead of the present half domes and cylindrical cross over. (This latter recommendation is predicated on the belief the present arch, which thus far is OK, will not give as long life.)

TABLE V

11 Ft. Sets:	Light Oil	Heavy Oil	Diff.
	Twin Gen.	4-Shell	
Daily Cap. Mcf (970 Btu Gas)	4,500	4,000	500
Investment Cost:			
New Set:	\$175,000	\$225,000	\$50,000
Per Mcf Daily Cap.	\$ 38.88	\$ 56.25	\$ 17.37
Annual Fixed Charges @ 15%	\$ 26,250	\$ 33,750	\$ 7,500
Converted 11 Ft. Set:	\$ 50,000	\$100,000	\$50,000
Per Mcf Daily Cap.	\$ 11.11	\$ 25.00	\$ 13.89
Annual Fixed Charges @ 15%	\$ 7,500	\$ 15,000	\$ 7,500

TABLE VIa—4-Shell Set Results

	Baltimore		Cambridge, Mass.		
	Aruba	Aruba April	May	New England Enrichment June	Ave.
Heat oil gal/Mcf	.95	.68	.65	.64	.645
Make " " "	10.67	11.33	11.12	11.08	11.10
Total	11.62	12.01	11.77	11.72	11.745
Tar Produced gal/Mcf	2.23	2.83	2.78	2.77	2.775
Lt. Oil (Est.) gal/Mcf	.35	.35	.35	.35	.35
Steam Used lbs/Mcf	13.4	13.4	13.6	15.3	14.0
Btu per cu. ft.	1000*	968	963	975	969
Make/Hr. cu. ft.		185,400	187,280	171,710	179,500
Mcf Produced		128,480	109,546	81,372	190,918 (Total)
Hours Run 4-Shell		633.1	585.5	465.5	1051.0 (Total)
" " Twin Gen.		60.0	2-Shell	8.2	—

* Unscrubbed, unpurified

Physical data on sets—Table III gives some of the principal measurements on the 4-shell and 2-shell sets as compared with Baltimore 4-shell experimental set.

Heavy oil vs. light oil—The foregoing highlights some of the structural advantages and disadvantages of the 2 and 4-shell set designs. The question that is probably uppermost in most operators' minds is—How does the heavy oil compare with the light oil operations in producing high Btu oil gas?

(1) *Tar*—The major difficulty thus far encountered in using heavy oil has been due to the tar, true regardless of the design. The tar problem has been and remains the most serious. On the 4-shell set the three-way valve on top of the wash box is the source of lost time due to the tar. There has also been accumulation of tar and carbon in the connection from the top of superheater to the three-way valve and on both sets the wash box at times must be cleaned of the heavy tar. The tar problem, we believe, stems from the necessity of producing a gas of a given chemical analysis and a definite heating value and specific gravity. In other words, the heavy oil high Btu oil gas sets now in use by Cambridge, and this is true for other gas companies, must produce a gas which will operate on the appliances as adjusted. A change in the percentage of illuminants or specific gravity or both causes the number of complaints to rise. In order to obtain the proper heating value, composition and specific gravity, it is necessary to crack the oil gas. In doing this the tar at times becomes quite heavy, T-9 or higher, and is quite difficult to handle in the wash box. On the other hand, if the gas is not cracked enough, then in addition to the Btu rising too high a floating tar is formed which cannot be moved from the wash box. In between these tar extremes the gas and tar have proved satisfactory. It has been expected that scrubbing would minimize the tar problem, and well it may. However, one company that has an oil scrubber reports the same difficulties at times with the tar.

Dehydration of the tar has also presented a difficult problem at times, but our tar purchaser, who also dehydrates the tar is satisfied that he can continue to solve the dehydration problem.

(2) *Heating value and chemical composition*—In Cambridge where we have a 951 Btu/cu.ft. heating value standard and where we have found the illuminants

TABLE VIb—2-Shell Set Results

	Cambridge, Mass. New England July	Enrichment Oil Aug.	Ave.	Twin Generators Light Gas Oil No. 2 Cambridge, Mass. July & Aug. 1949 (Tar and No. 2 Oil)
Heat oil gal/Mcf	.81	.94	.845	1.45
Make " " "	10.54	10.51	10.525	9.63
Total Oil	11.35	11.45	11.370	11.08
Tar Produced gal/Mcf	2.64	2.627	2.63	1.93
Light Oil " "	.35	.35	.35	.35
Steam Made lbs/Mcf	—	—	—	54.0
Steam Used lbs/Mcf	22.81	24.4	23.62	10.3
Btu/cu. ft.	977	962	970	969
Make/Hr. cu. ft.	182,000	171,680	176,840	195,608
Mcf Produced for period	71,567	75,358	146,925 (total)	413,107
Hours Run (2-shell)	375.3	439.6	814.9 (total)	2112
" " (4-shell)	17.9	—	—	—

TABLE VII—Oil Analysis

	Baltimore	Cambridge, Mass.	
Sp. Gr.	Aruba 22.3	Aruba 21.8	N. E. Oil 19.8
Vis. @ 122° F	22.8	21.6 sec.	41 sec.
Flash, P-M° F	160	200	188
Pour ° F	—20	Below Zero	+55
Sulphur %	1.694	1.19	0.50
Water & Sediment %	0.46	—	.30
Carbon Residue %	6.02	6.5	6.01
Ash %	.04	.04	.02
Enriching Value @ 1500	103,300	100,000	100,112

should be around 25 percent or less, the operators have had considerably more trouble when using heavy oil in maintaining the desired gas qualities. While this is true for both the 4 and 2-shell sets, it seems to be a little more difficult on the 2-shell. The specific gravity and illuminants have both risen quite high at periods on the 2-shell set. Another company that has operated their 2-shell set but a few hours per day over the past two months reports they have produced a low specific gravity gas and relatively low illuminants for a somewhat higher Btu value gas. Two analyses of this company's gas are shown under other companies in Table IV.

Quality of gases produced—Experience at Cambridge leads the writer to believe that the kind of gas produced and to some extent the troubles experienced with a set are largely influenced by the skill of the operator. At least it would seem that when a company is unable first to use an oil successfully, but after learning to operate on other oils, can get good results with this unsuccessful oil, then skill is an important factor. Where this situation has happened with equal force on both light and heavy oil operation then skill must play a most important part. While we do have some slight indication that the grade of oil affects the gas composition,

there is every indication that the composition of the gas is influenced more by temperature, oil scrubbing and skill than by the grade of oil. Table IV represents some of the variations that have been obtained.

Number of service calls affected by gas quality—Since going on 100 percent heavy oil the company has experienced some increase in number of complaints. This is shown by the following table.

Calls per 1,000 Meters/Mo.

	March	April	May	June	July	August
Cambridge	58.4	57.3	59.3	67.9	72.7	72.2
System	67.8	57.6	63.0	69.9	55.0	64.6

The company is unable to say definitely that variations in the gas quality are solely responsible for the increase in complaints, since one or two of our other properties also show a substantial increase where there has been no change in gas making process or type of oil used. We do know that the specific gravity and heating values of the gas at Cambridge have been above normal at times and the illuminants have gone to 27-28 percent. All of these should cause an increase in the number of complaints. We have therefore assumed the rise in the complaints was due to these factors. It is expected that the oil scrubber which is on order will improve this situation and give us more flexibility in operating sets.

Maintenance—The maintenance on heavy oil sets is substantially greater than on the twin generator light oil sets. Life of the checker brick on the twin generator sets, using light oil was 4,000 hours, whereas on the heavy oil sets the life will be found to be well under 2,000 hours, although the 4-shell set at Cambridge did operate for slightly more than 2,000 hours. The cost for replacing checkers at current prices and labor rates (4-shell set) was of the order \$4,400, or around \$2.00 per operating hour.

In addition to the checker maintenance, there is considerably more labor in daily cleaning of valves, wash boxes, etc.

Due to the extra time required for cleaning sets and recheckering, there is less gas-making time available on the heavy oil sets than on the twin generator light oil sets. The twin generators can operate 24 hours per day without having to take time out for cleaning. Heavy oil sets will operate only 21 to 22 hours per day before having to be cleaned. It would appear from available operating experience to date that a heavy oil set could be operated for a minimum of 60 days and a maximum of 100 days at 21 to 22 hours per day. On the other hand, twin generator sets can operate almost continuously for as long a period as 200 days at 21 to 24 hours per day.

Comparative investment costs—The cost of heavy oil high Btu oil gas sets of comparable daily capacity is substantially greater than for twin generator light oil sets. For instance, a 4-shell 11 ft. generator 11 ft. superheater heavy oil set will cost around \$225,000 complete with a blower and automatic. A twin generator of 11 ft. generators and 11 ft. superheaters complete with blower and automatic will run around \$175,000.

To convert an existing 11 ft. set to 4-shell heavy oil (exclusive of building changes or blower) including changes to automatic will run around \$90,000 to \$100,000. To convert to twin generator light oil high Btu oil gas will run around \$50,000 to \$60,000.

The hourly capacity of a converted carburetted water gas set to the 4-shell heavy oil high Btu oil gas set will be only slightly less than for the twin generator light oil set. However, the daily capacity will be 10-15 percent less. Investment cost per Mcf of daily capacity is shown in Table V.

Tables VIa & VIb summarize the fuel and residual results obtained thus far at Cambridge. Baltimore experimental re-

TABLE VIII

	Baltimore 4-Shell 8	Cambridge 4-Shell 7	2-Shell 7
Total Cycle (min.)			
Temperatures °F	No. 1	No. 2	
Top of Superheater	1043	1300	900
Bottom of " "	1600	1600	1350
Generator	1433	1569	1600
Air Rates			
Top of Superheater Cfm	16,642	15,000	16,000
" " Generator Cfm	11,080	8,500	8,000
Total	27,722	23,500	24,000
Steam Rates			
During Oil Injection lbs./min.	108	100	125
During Purge lbs./min.	185	275	250
Oil Rates			
Make Oil Gal/Cycle	280	240	240
Oil Temp. °F	171	225	225
" Pres. lbs.	—	100 to 110	100-110
Cu. Ft./Hr. 1st Mo.	204,000	184,000	182,000
" " " 2nd "		187,280	171,680
" " " 3rd "		171,710	

sults are shown for comparative purposes.

In connection with Tables VIa & VIb it should be noted that except for few hours (60) run on twin generator the operations in April reflect the use of Aruba oil only on the 4-shell set. Similarly May and June reflect the operations on the 4-shell set using New England enrichment oil only except for 8.2 hours on 2-shell set. July and August represent operation on 2-shell set using New England oil with exception of 17.9 hours on 4-shell set. The results on light gas oil were taken for the months of July, August 1949 so as to cover a comparable seasonal period as for the heavy oil on

2-shell set. The 1949 yearly figures were somewhat higher (see previous reports by G. G. Howie and the writer). We may expect the *annual average* heavy oil figures to be higher than shown unless the operators offset the normally expected higher figures in winter months with better efficiencies.

Table VII shows representative samples of the different grades of oil for which data is shown.

Table VIII gives a comparison of the cycles oil and steam rates used at Cambridge on 4 and 2-shell sets as compared with Baltimore on the experimental 4-shell set.

TABLE IX—Heavy Oil vs Light Oil

	Heavy Oil 2-Shell Set Mos. July-Aug. 1950	Light-Oil Twin Gen. Mos. July-Aug. 1949
Gal/Mcf		
Total Oil	11.40	11.08
Tar Yield	2.63	1.93
Lt. Oil Yield	.35	.35
Lbs. Steam/Mcf		
Used	23.60	10.3
Made	50 (Est.)	54.0 (Actual)
Fuel Prices		
Oil	5.8c/gal.	8.5c/gal.
Tar	4.0c "	4.5c "
Lt. Oil	12.25c "	12.25c "
Steam	70c/M lbs.	70c/M lbs.
F.O.T.S.		
Oil	66.120	94.180
Steam	1.652	.721
Total	67.772	94.901
Tar Credit	10.520	8.685
Balance	57.252	86.216
Lt. Oil	4.288	4.288
Balance	52.964	81.928
Steam Made	3.500	3.780
F.O.T.S.	48.464	78.148
Saving of 29.68 Mcf		

Table IX shows the comparative F.O.T.S. costs for the fuel and residual prices shown. These have been calculated using the operating results in Tables VIa and VIb.

Table IX shows a F.O.T.S. saving of 29.68 cents per Mcf of 951 Btu gas by using heavy oil instead of light oil. This saving will be reduced some due to extra maintenance, but will still represent a substantial saving in holder costs.

Table X shows the 2-shell set produces a slight saving in F.O.T.S. costs over the 4-shell set. The saving would have been larger except for the necessity of using 9.6 lbs. of steam more on the 2-shell set. This has been due to certain mechanical problems in regard to the hot valves and not to the process. It is expected that the steam consumption will be decreased after the 3-way valve has been installed. It is interesting to note in Table X how the F.O.T.S. costs at Cambridge on Aruba compare with Baltimore test cost figures.

Heavy oil set fully justified—Installation of the heavy oil-gas sets at Cambridge has been fully justified even though there have been additional maintenance and operating problems. The tar problems previously referred to, while troublesome, are not serious. One of the major benefits from a consumer viewpoint has been a rate reduction of some \$140,000 per year. From the company viewpoint there has been a substantial reduction in holder costs plus the added advantage of flexibility in the selection of oils. The operating people are expecting results to improve and to have less difficulty in producing a satisfactory gas as the light oil scrubber becomes available and a wider range of temperatures can be employed in the sets.

Are Heavy Oil Gas Sets Desirable for Peak Shaving?—In view of the expected arrival of larger quantities of natural gas along the Atlantic Sea Coast and in the New England states, the question arises as to whether heavy oil or light oil high Btu oil gas sets should be installed. From an investment standpoint and ease of operation the light oil sets would be the choice. However, from the viewpoint of flexibility in the use of fuels and particularly in the cost of gas—the heavy oil sets would be the selection. The saving in operating costs at current price relationship between heavy oil and light oil is of the order of \$50 per operating hour on an 11 ft. set or around \$1,000 per set day (20 hours). Thus the extra carrying charges per year for heavy oil

gas sets over light oil sets (both new) will be made up in about 15 days operation, or if converted sets are used (where extra annual fixed charges are around \$7,500) in less than eight days.

It would appear therefore that from the viewpoint of flexibility of fuels and economy the heavy oil sets should be considered even though they are to be used only for peak shaving. Two natural gas companies now have heavy oil gas sets for peak shaving and one of these has already used its sets for this purpose. There is, however, one unanswered question: Can the heavy oil high Btu oil gas sets produce the kind and quality of gas

(b) company through lower costs, (c) stockholders through larger earnings.

The 4-shell set has given the minimum of trouble and from the foreseeable results in the future (even with improvements in the 2-shell set) will continue to have certain potential maintenance advantages. It would appear, therefore, that the 4-shell set, even at a higher cost, might well be the choice for any immediate installations. The writer has recommended the installation of 4-shell sets in three instances within the past two months. These conclusions might well be changed if the reported higher

TABLE X—Comparative F.O.T.S. Costs

	Baltimore	4-Shell Aruba Cambridge April	N. E. Oil Cambridge May-June	2-Shell N. E. Oil Cambridge July-Aug.
Gal/Mcf				
Total Oil	11.62	12.01	11.745	11.40
Tar Yield	2.30	2.83	2.775	2.630
Lt. Oil Yield	.35	.35		
Lbs. Steam/Mcf				
Used	14.0	13.4*	14.0*	23.60*
Made	—	—	—	—
F.O.T.S.				
Oil Costs	67.396c	69.658c	68.121c	66.120c
Steam	.980	.938*	.980*	1.652*
Total	68.376	70.596	69.101	67.772
Tar Credit	9.200	11.32	11.100	10.520
Balance	59.176	59.276	58.001	57.252
Lt. Oil Credit	4.288c	4.288c	4.288c	4.288c
F.O.T.S.	54.888	54.988	53.713	52.964
Fuel Prices				
Oil	5.8c/gal.	Tar Credit	4c/gal.	
Steam	70c/M lbs.	Lt. Oil Credit	12.25c/gal.	

* Steam reported is for process steam only. No plant steam included. No waste heat boiler steam included since these have not yet been used. These are expected to produce some 50 lbs. steam/MCF which if realized will give a credit of 8.5c per MCF.

that a company will need to interchange 100 percent with natural gas?

Evidence to date is too meager to draw any conclusions in regard to this question. The one company that has made a gas, using heavy oil in a 2-shell set, that is interchangeable with natural, reports that they can only make the low sp. gr. gas for short periods of time. Furthermore, when these suitable gases are being made the tar problem becomes serious. It may well be that further research or exploration work by companies having these heavy oil sets will be required before these high Btu heavy oil sets become a practicable reality for producing 100 percent interchangeable gas with natural. They will, however, be suitable for peak shaving.

Conclusions

Use of heavy oil has proved of benefit to: (a) consumers through lower rates,

efficiency of the 2-shell set (representing around 1¢ to 1.5¢ per Mcf saving) are borne out over longer operating periods and provided the maintenance of the 2-shell set is found to be no greater than on the 4-shell set. Thus far there seems to be little difference in maintenance between the sets. In other words, the *ultimate* future of these two designs may be determined over the next several months operations.

It would also appear from the number of companies that have installed or in process of installing heavy oil high Btu oil gas sets that the merits and advantages of the Hall heavy oil process are well accepted. These installations also reflect the soundness of the A. G. A. Gas Production Research program, and are thriving testimonials of the benefits that research may bring to an industry.



Burt C. Taylor

vice-president and treasurer, The Dayton Power and Light Co., Dayton, Ohio, died suddenly at his home on October 13.

Mr. Taylor joined The Dayton Power and Light Company as a messenger boy in 1911 at the age of 15. From that time on his energies and talents won him constant promotions in the accounting division. In April 1937 he was named treasurer. He was elected vice-president in May 1938 and selected as a member of the board of directors in May 1942. Mr. Taylor was a member of American Gas Association.

Surviving are his wife, Thelma Bloom; two children, Richard W. and Leanne; and a brother, John G., also of Dayton.

R. T. Powers

superintendent of operations, Natural Gas Pipeline Co. of America and Texoma Natural Gas Co., died unexpectedly October 7 of a cerebral hemorrhage at his home in Evanston, Illinois. He was 53.

Mr. Powers had been with the company since 1930. He was highly instrumental in solving technical problems and making possible the first long-distance pipeline for natural gas transmission. The line brings gas to the Chicago area from the Texas Panhandle.

The company for which he worked is affiliated with Texas Illinois Natural Gas Pipeline Co., which is now constructing a \$120 million Texas to Illinois natural gas pipeline, and The Peoples Gas Light and Coke Company of Chicago.

Mr. Powers was graduated from University of Missouri in 1919. He was a member of American Gas Association.

Surviving are his wife, Natalie, and his step-daughter, Natalie Miller.

Dwight B. Sprow, formerly assistant to Mr. Powers, will succeed him as superintendent of operations.

Elmon L. Hall

widely known gas engineer and executive who retired as vice-president of Portland Gas and Coke Co., Portland, Ore., a year ago, died on September 1, 1950 after a brief illness. He had served the company for 44 years.

Mr. Hall was graduated from Stanford University in 1902. He joined the Portland Company in 1906, serving successively as chemist, assistant superintendent, general superintendent in charge of production and distribution, and vice-president and chief engineer. He assisted in designing the company's oil-gas plant in 1912-13 and played a leading part in developing its byproduct business.

Mr. Hall was a member of American Gas Association and in 1924-25 served as president of Pacific Coast Gas Association.

Operating sessions

(Continued from page 39)

Electric Co., described these activities and also the committee's efforts to supply helpful information on the solution of plant waste disposal problems. This last subject has assumed great importance, he added, to the entire gas industry.

Stream protection and the part management can play in solving this thorny problem were analyzed by a well known authority on that subject, W. B. Hart, Atlantic Refining Co., Philadelphia. He discussed experiences over the past 25 years and the varying attitudes of industrial managements when pressed to correct improper waste disposal methods.

The importance of management's attitude toward this problem cannot be overemphasized, Mr. Hart told his audience. It is vitally important that the top men in each plant give their full support to the waste disposal program, he added. The next step is to tell the public what is being done to protect their streams.

In many cases it may not be possible to entirely remove wastes from the streams, Mr. Hart said. To be effective, the disposal program should concentrate on so treating wastes that they will not damage a stream beyond the degree "where the stream can recover itself." In other words, he explained, plant wastes should be so purified that they will not menace aquatic life, public health or recreation.

The speaker advised utility managements to cooperate closely with the var-

ious state agencies set up to handle disposal matters.

Another timely subject, oil gas manufacture by two-shell and four-shell sets, was presented by Hall M. Henry, vice-president, NEGEA Service Corp., Cambridge, Massachusetts. Mr. Henry's talk was in the form of a progress report on five months of operation.

Considerable progress is being made, Mr. Henry said, in the use of heavy oil high Btu sets. He forecast that by the beginning of February some 13 companies will have approximately 21 sets of this type in operation.

Mr. Henry illustrated his talk with slides showing operating results obtained with the various oil gas sets. Operations to date show, he added, that use of heavy oil is beneficial (1) to the consumer through lower rates; (2) to the company through lower costs, and (3) to the stockholder through larger earnings.

The economic approach was also featured in the next address—a talk on metering by G. K. Bachmann, Public Service Electric & Gas Co., Newark, N. J. Mr. Bachmann is currently chairman, Subcommittee on Meters and Metering.

On the general subject of meter obsolescence, the proper goal, Mr. Bachmann said, is "to be statistically guided in promoting maximum economy of metering without at the same time impairing accuracy and reliability in service."

He pointed out that extension of the periodic change period is a highly desirable goal. In this connection, he added, Public Service Electric & Gas Company is watching three factors: (1) improve-

ment in repair procedure; (2) numerical reduction of the older group of meters by condemnation, and (3) coming of natural gas to the Eastern Seaboard.

Chemical Committee activities, as outlined by Chairman G. V. McGurl, Koppers Co., Inc., Pittsburgh, have been designed to encourage and assist research on technical subjects and improvement in test methods and apparatus. The committee is striving to provide a forum for chemists and technical men in manufactured and natural gas phases of industry.

Mr. McGurl singled out for particular attention a subject which aroused unusual interest during a recent luncheon conference. He advised that "the formation of nitric oxide in reforming natural gas, with attendant trouble from vapor phase gum should be studied and possibly be made a research subject."

Concluding event on the Operating program was a discussion of the effect of components of fuel gases on flame characteristics and interchangeability. Louis Shnidman, Rochester Gas & Electric Corp., collaborated with Jesse S. Yeaw in the paper's preparation.

Mr. Shnidman described experimental work using the Rochester Test Burner and gas mixtures with heating values ranging from 300 to 800 Btu per cubic foot. He noted that this approach eliminates any need for extended laboratory tests to solve gas mixing problems. The method is equally applicable, he added, for gas mixtures of any heating value. Included are all types of natural gas, manufactured gases and their mixtures in any proportion.

CONVENTION CALENDAR

1950

NOVEMBER

- 6-10 •National Hotel Exposition, Grand Central Palace, New York, N. Y. (A. G. A. will exhibit)
- 8 •A. G. A. Commercial Gas Breakfast, Hotel Roosevelt, New York, N. Y.
- 8-10 •Wisconsin Utilities Association, gas and electric section convention, Schroeder Hotel, Milwaukee, Wis.
- 8-10 •School Food Service Meeting and Exhibit, Kansas City, Mo. (A. G. A. will exhibit)
- 9-10 •Mid-Southeastern Gas Association, annual meeting, Sir Walter Hotel, Raleigh, N. C.
- 17-18 •New Jersey Utilities Association, annual meeting, Seaview Country Club, Absecon, N. J.

1951

JANUARY

- 3-5 •A. G. A. Home Service Workshop, Hotel Statler, Washington, D. C.

MARCH

- 12-14 •Mid-West Gas Association, annual convention, Hotel Fontenelle, Omaha, Neb.
- 19-21 •GAMA, annual meeting, The Homestead, Hot Springs, Va.
- 29-30 •New England Gas Association, annual meeting, Hotel Statler, Boston

APRIL

- 2-4 •A. G. A. Sales Conference on Industrial and Commercial Gas, Industrial and Commercial Gas Section, Shoreham Hotel, Washington, D. C.
- 9-11 •A. G. A. Mid-West Regional Gas Sales Conference, Residential Gas Section, Edgewater Beach Hotel, Chicago, Ill.
- 10-12 •Southwestern Gas Measurement Short Course, University of Oklahoma, Norman, Okla.
- 16-18 •A. G. A. Distribution, Motor Vehicles and Corrosion Conference, Hotel Peabody, Memphis, Tenn.
- 23-25 •Southern Gas Association, Biloxi, Miss.
- 23-25 •National Conference of Electric and Gas Utility Accountants, Hotel Sherman, Chicago, Ill.
- 26-27 •Indiana Gas Association, French Lick Springs Hotel, French Lick, Ind.

MAY

- 7-8 •A. G. A. Natural Gas Department, spring meeting, Dallas, Texas
- 7-9 •Missouri Association of Public Utilities, Jefferson Hotel, St. Louis, Mo.
- 14-16 •A. G. A. Production and Chemical Conference, Hotel New Yorker, New York, N. Y.

Accounting sessions

(Continued from page 32)

Considerable discussion followed each of these presentations.

Mr. Eberle closed the meeting following an apt remark by George F. Mitchell, president, The Peoples Gas Light and Coke Company. Mr. Mitchell said, "Emergencies occur because we haven't thought soon enough."

The meeting of the General Activities Group was held on Wednesday in a meeting room in Convention Hall.

B. S. Rodey, Jr., Consolidated Edison Co. of New York, and coordinator, General Activities Group, presided at the meeting and welcomed the accountants to the General Activities Session.

Mr. Rodey introduced O. G. Peterson, New York State Electric & Gas Co., Ithaca, N. Y., new chairman of the Materials and Supplies Committee. Mr. Peterson spoke on the subject, "Material in Motion." This was the project report of the Materials and Supplies Committee under chairmanship of L. Glen Wiseley, Michigan Consolidated Gas Company.

Mr. Peterson discussed the accounting procedures necessary to account for materials and supplies from the time of receipt from the vendor to the time of issue from stock to the truck, job, or another storeroom. He also gave consideration to necessary procedures for handling returned materials and supplies. The speaker stressed the importance of avoiding complicated controls and

pointed out various means of eliminating extensive paper work. He placed particular emphasis on streamlining accounting for miscellaneous minor stock items which, in one company, constituted 34 percent of the total issue transactions, but only two percent of the dollar value.

Frank Denier, Arthur Andersen & Co., New York, discussed the subject, "Budgeting and Rate Making." This paper analyzed the effect of rising costs on budgeting and forecasting. The innumerable factors to be considered in budgeting were presented, with special emphasis on the tie-in between budgeting and functional accounting.

"Taxes and Liberty" was covered by Harland C. Stockwell, executive secretary, The Civic Federation of Chicago. This was a presentation of the Taxation Accounting Committee under the chairmanship of H. W. Ziethen, The Peoples Gas Light and Coke Company.

Mr. Stockwell's inspirational remarks stressed the effects of taxes (local, state, and federal) on the economy of the country. Unless this trend is reversed, the end result can be only state socialism or dictatorship, he said. The trend, 20 years in the making, can only be reversed through a demand on the part of all of the people, Mr. Stockwell concluded.

Many of the delegates remarked that the subject was so well presented and so capably handled that it should have been presented at a general session before the entire gas industry.

Utilities and freedom

(Continued from page 11)

A young chief yeoman came into the quarters where we were actively plotting all enemy information. The Admiral was in the center of the room making his evaluations and decisions. The yeoman approached him and said rather quietly that the sailors were wondering about the course of the fleet. He himself knew about the whole procedure, being a part of the operations staff. "Can we tell them why we are going in this direction?" he asked.

One of the younger commanders replied: "Not now—we are too busy."

The Admiral wheeled around and said: "We are never too busy to tell the men of the fleet what we are doing and why! Pass the word! We are moving to the South China Sea in a bold move to cut off the Japanese supply line

and hasten the end of the war!"

You never forget an incident of that kind. Pass the word along! Tell the men!

American industry must pass the word, intelligently, honestly and fairly—never with a propaganda twist but in plain language—about the fundamentals of the American capitalistic system and what it means to all men in their individual freedom. If industry does this, there will be no question of victory, no matter what challenge comes to us. And even more—there will be a basis for our children of individual freedom and the dignity of man.

I am confident of ultimate victory in this great world struggle. Above all, that confidence flows from my deep conviction that the founding fathers of America were right.

Man was meant to be free—and there is a God!

Personnel service

SERVICES OFFERED

B.S. in Forestry, would like a position in forestry and/or gas detection work. Experience in detection work. Graduate work in Chemistry. Veteran. (25) 1655

Operating Executive—First class education. 12 years' all phases manufactured gas. Labor relations and contract negotiations. Five years' research and development during war. At present in charge very large blue gas plant making synthesis gas for chemical processing. Excellent reason for making change. Eastern location. 1656

Experienced Research and Forecast Economist with ability to organize or implement economic or statistical program. College graduate, (B.C.S. degree) with 16 years experience. 1657

Gas Sales and Promotion—Diversified experience in all phases of gas sales, fuel estimates, layout and design of equipment, installation and servicing including the training and supervision of men for Industrial, Commercial and House-heating. Many years' experience. Northwest or West preferred. Can arrange for interview at Gas Convention, Atlantic City. 1658

Accountant—Over 20 years' experience public utilities, individual and consolidated companies. Auditing, financial accounting, taxes, original cost of plant, writing and reviewing reports and general accounting. Available for New York City or 300 miles radius. 1659

Executive—Ex Colonel—World War II. Previously Executive Vice President Public Utilities Holding Company and subsidiaries with fifteen years' previous experience in banking, brokerage and general business. Experienced

in dealing with S.E.C., R.F.C., State Commissions, City Governments, Banks and Underwriters, Refinancing and Public Utility management. 1660

M. A. Columbia, Nine years' experience with public utility regulatory agency, desires location Metropolitan New York area. Qualified to perform all phases of Rate, Tariff and Cost of service work, develop supply and requirement data, and prepare exhibits in connection with rate proceedings. (35) 1661

Manager or General Superintendent, 20 years' experience in plant and distribution operation and maintenance. Eight and one-half years of this time spent as manager. Resume of experience furnished on request. Interviews can be arranged. Available on 30 days' notice. Eastern or Southern location preferred. 1662

POSITIONS OPEN

Sales Vice President wanted for leading oil burner manufacturer entering central gas heating field. Must be able to assume responsibility in developing product line and sales organization. Important for candidate to have successful record in gas heating field. Adequate salary commensurate with responsibilities. Please send record. Replies confidential. 0587

Experienced Rate Man, by large natural gas interstate pipe line company located in the Middle West. Must be accurate, have a pleasing personality and get-along ability. In reply state education, experience, age and salary required. 0588

Plant Manager for Furnace Manufacturer. Experience in design, engineering, testing and

servicing of gas, coal and oil fired furnaces essential. To be in complete charge of all phases of plant activity. Located in Pennsylvania. Write for appointment stating in detail past experience, education, references and salary expected. 0589

Young man, engineering background and experienced in distribution, construction and maintenance, familiar with transmission and measurement wanted by natural gas pipe line and distributing company located in Virginia. Salary commensurate with qualifications. 0590

Vice-President, Operations, National utility—Wanted a man thoroughly familiar with public utility operations covering electricity, gas, water and telephone, including engineering and construction pertaining to such work. Job requires sufficient experience, knowledge and background to handle all of the operating problems of a diversified utilities company where business management is the prime essential. Must be technically proficient, experienced and qualified; a good administrator, responsible, ambitious, aggressive, willing to have his achievements determine his compensation level. For such a man in the 38-48 age bracket a good job with extraordinary opportunities is available. Location administrative office near but not in New York City. In reply, please submit resume of experience and salary desired. 0591

Gas Engineer, young man with engineering background and several years' experience around carburetted water gas sets. Small company in Pennsylvania anthracite field. Low living costs. Good salary. Write for appointment, giving age, education and experience. 0592

Dealer day

(Continued from page 42)

Norfolk, Va., outlined a complete selling campaign. He emphasized the value of an attractive theme, indoctrination of salesmen, and hard-hitting advertising. Special terms, prospect-producing incentives, cooking schools, and other sales helps were discussed.

The second member of the panel, Harold L. Frankel, Frankel Appliances, Inc., Huntington, W. Va., emphasized the value of surrounding the gas appliance with glamor and saleability. "Just as the sizzle sells the steak," he said, "there is something that will sell your appliances. Find that something and merchandise it aggressively."

Winding up the panel discussion, the chairman, Mr. Names, president of Herb Names, Inc., Denver, Colo., stressed the importance of using some kind of gimmick or stunt in your advertising. At a cost of less than three percent, Mr. Names indicated, gimmicks such as guessing contests with prizes would give the dealer a large amount of "plus" business.

Questions from the floor brought the experts' opinion that: A hooked up "live" range is more effective in promoting sales than a dead range. The lo-

cation of a store is important and specialty selling must be tailored to fit the location. Importance of window displays was shown by a check which revealed that 21 percent of the purchasers first saw the appliance in the window. Trade-ins should not be avoided in special promotions but only the exact value of the used appliance should be allowed. Never hire more salesmen unless your present salesmen earn good pay. The average salesman should spend half his time on the sales floor and half in the field.

A feature of this session was the presentation of trophies to the winning company representatives in the nationwide "Big Six" refrigeration contest. John K. Knighton, general sales manager of Servel, Inc., which together with A. G. A. sponsored the contest, made the presentation and spoke forcefully of the expanding market for gas appliances. "Pipelines cannot be constructed or authorized fast enough in this country to meet present-day demands and the constantly growing market."

"Cash on the barrelhead" is waiting for the dealer who aggressively merchandises gas ranges, D. A. Strickland, general sales manager, United Gas Corp., told the dealers. Gas ranges, both percentage and dollar-wise, produce the best

return per thousand invested in any major appliance stock, he said.

"Get out your own books," he advised, "compare your gas range markup with other major appliances. Consider the gas ranges' greater acceptance and quicker turn-over. Look at their lower sales and service expense. Check stock obsolescence, trade-ins and all the other profit factors. Then you will see that putting gas ranges first in your appliance displays and first in your sales effort makes dollars and sense in any kind of market."

Amid pomp and pageantry, the dealer session was brought to a climax with the crowning of the "King of the Court of Flame." Flanked by attractive pages and with Mrs. America as queen, D. A. Bell of Denver, Colo., was honored in the coronation ceremony as the top retail automatic gas water heater salesman in the United States. Mr. Bell, who is former president of the Colorado Master Plumber's Association and president of Bell Plumbing and Heating Co., for the second successive time won the nationwide contest conducted by GAMA. He received a three-day, all-expense trip for two to attend the convention and exposition in Atlantic City. In addition, he was presented with \$500 worth of prizes given by Corning Fiberglas Corporation.

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